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## Can a Person 'Catch' Heart Disease? Maybe

### Infectious Microbes Under Suspicion

By Rick Weiss  
Washington Post Service

WASHINGTON — From gallstones to arthritis to heart disease, many illnesses long presumed to have roots in genes or lifestyle might be caused largely by infectious agents, a growing number of scientists believe.

That prospect is raising the intriguing possibility that people can "catch" kidney stones, cerebral palsy or Alzheimer's disease.

Most of the evidence remains circumstantial. A microbe might be suspiciously present in people who have a disease, for example, and not in those who do not — suggesting, but not proving, causality.

But for some conditions — including heart disease — many scientists feel certain that microbes play at least a contributing role where none previously was suspected. Researchers announced last week that they had discovered a molecular mechanism by which mice can get heart disease from a bacterium. And high-tech tests have been picking up previously undetectable bacterial "fingerprints" in people with other chronic conditions, strengthening the case that microbes are the hidden perpetrators.

The implications of the new theory are enormous, researchers say. Most important, it suggests that vaccines or antibiotics might have an unexpectedly big role to play in the treatment of chronic diseases that today are treated with only modest success through lifestyle changes, such as exercise and improved diet.

"If an infectious agent is responsible for even a portion of these diseases, that could change the outlook for treatment and prevention dramatically," said Barry Bloom, dean of

the Harvard School of Public Health. "I see chronic disease as the next frontier for vaccines."

Mr. Bloom and others cautioned against placing too much blame on bacteria. For most chronic diseases, bacteria are probably just part of the puzzle, they said. And widespread, long-term use of powerful antibiotics carries its own problems, including the possible emergence of drug-resistant "superbugs."

"The bacteria by themselves are not going to give us the only useful answers," said Janice Kiecolt-Glaser of Ohio State University, who studies the effects of stress on health. "You could have the bug, and if resistance is altered by stress or other factors, you could be more prone to not healing or to the infection progressing."

Nonetheless, said Anne Schuchat, chief of the respiratory diseases branch at the Centers for Disease Control and Prevention in Atlanta, chronic conditions such as heart disease take such a big toll on society that even a modest contribution by bacteria deserves to be targeted.

The revolution began about five years ago, when definitive evidence arose that stomach ulcers are caused not by excess stomach acid, as had long been presumed, but by the bacterium *Helicobacter pylori*. It was not easy persuading the scientific community to accept the new model.

Barry Marshall, an Australian scientist with a flair for theatrics, resorted to swallowing a beaker of bacteria to help settle the question. Today, ulcers are treated primarily with antibiotics instead of acid-blocking drugs.

Infectious-disease specialists now

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CELEBRATION AND CHALLENGE IN NIGERIA — The president-elect, Olusegun Obasanjo, left, and vice president-elect, Abubakar Adiku, meeting Monday, as new doubts were raised over the election. Page 2.

## Indonesia Island Spirals Into Chaos

Police Fire Into Crowd Outside Mosque, Killing 9, Witnesses Say

By Mark Landler  
New York Times Service

JAKARTA — In a dangerous escalation of the sectarian violence that has hoppedscotched across Indonesia, nine people died Monday in the remote provincial capital of Ambon after the police opened fire on a crowd outside a mosque, several witnesses told Reuters.

The shootings followed a new round of clashes between Muslims and Christians on Ambon, an island about 2,250 kilometers (1,400 miles) east of Jakarta that has been convulsed by religious

violence for the last two months. Witnesses told Reuters that the police fired at the Muslims after they had emerged from dawn prayers at the mosque on the outskirts of town. "Suddenly we were attacked by police," a witness said. "They were Christians."

The police did not confirm the shooting. People in the Christian community told Reuters that the police had only fired warning shots after Muslims and Christians clashed outside the mosque.

Other witnesses said a Christian mob burned several houses owned by Muslims in a nearby neighborhood. More than 150 people have died in

religious clashes in Ambon since January. The violence stems from a combustible mix of elements: Native Ambonese Christians resent the Muslim migrants who have come to their island from South Sulawesi seeking work at a time of economic hardship. The groups are about the same size, with Christians concentrated in the city and the Muslims scattered in the surrounding villages.

While the mayhem in Ambon seems very far away from Jakarta — Ambon is part of an archipelago that was known as the Spice Islands during Dutch colonial

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## In Beijing, Albright Talks Tough On Rights

She Also Pushes China To Take Steps To Join World Trade Grouping

By Jane Perlez  
New York Times Service

BEIJING — Trying to infuse the troubled relationship with China with some new direction, Secretary of State Madeleine Albright talked tough to the authorities here Monday on human rights, but encouraged them to move forward on joining the organization that governs world trade.

In a day of meetings, Mrs. Albright told Prime Minister Zhu Ronghi and other senior officials that the United States was disturbed by the crackdown on organized opposition to the ruling party and called on the government to release a number of political prisoners.

Her visit came on the heels of the U.S. administration's annual human rights report, which was far more critical of China this year than last.

At the same time, Mrs. Albright made clear that the administration was sticking to its policy of delinking human rights and trade.

"We determined some time ago that it was not a good idea to link human rights and trade, and that we actually make better progress in both when they are not linked," she said.

Throughout the day, China's possible accession to the World Trade Organization was stressed by Mrs. Albright, her aides said.

Despite the prickly tenor of the human rights exchanges between Mrs. Albright and the Chinese, administration officials said Monday night that they were pleased that the breadth of the discussions had showed that the relationship with China no longer just revolved around human rights.

Human rights was "prominent but not dominant," an administration official said, summing up the day.

Mrs. Albright's visit came a day after China, continuing to silence critics of the regime, detained one dissident and sentenced another to 18 months in jail without trial.

The visit also came as a host of vexing problems with China suddenly surfaced, including the arrest last week of a Chinese citizen in California whom federal agents charged with trying to obtain a component vital to missile guidance systems.

Publicly, the Chinese government did not mention this or other security matters. Instead, the Chinese limited their public criticisms of Washington to the human rights issue.

Foreign Minister Tang Jiaxuan, with whom Mrs. Albright spent most of her time Monday, obliquely warned at a news conference that the administration not file a resolution criticizing China's human rights record at the United Nations annual human rights commission in Geneva this month.

He said that such "confrontation" would not solve the problem.

The U.S. administration is in the midst of a heated internal debate about whether to go ahead with a resolution that is bound to antagonize the Chinese government.

The State Department characterized Mrs. Albright's trip as a "business visit" designed to develop regular meetings between the two countries.

It was actually the highest level of a constellation of visits to Beijing in recent and coming days by Washington

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## Concorde, 30 Years On, Looks Like One-Shot Wonder

By Barry James  
International Herald Tribune

PARIS — The supersonic British-French Concorde, designed at the same time as the obsolete Boeing 707 and still a technological marvel, completes 30 years of flight on Tuesday, a commercial success at last but not one that is likely to be replicated in the foreseeable future.

The manufacturers of the Concorde have well-advanced designs for a successor aircraft, but industry experts say it is unlikely to find a market any time soon.

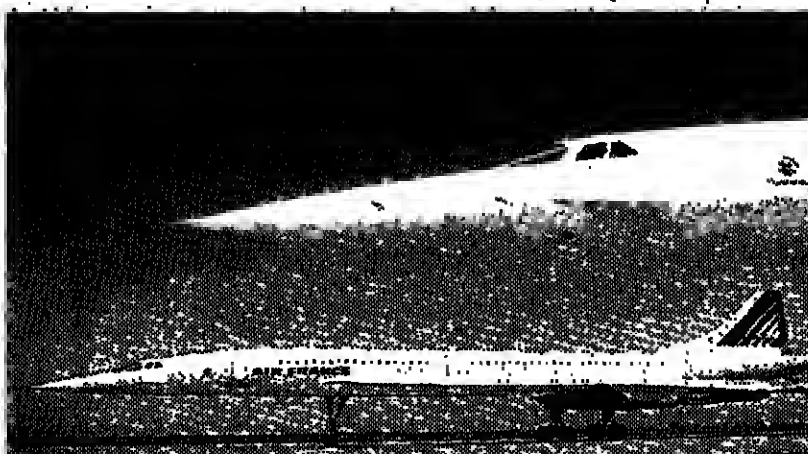
No airline, or group of carriers, is willing to assume the financial or technological burdens involved in buying a new supersonic transport, even though the two carriers flying Concorde, Air France and British Airways, say the plane has produced an operating profit

for several years. Concorde has at best 15 years of life before it, and after that the rich, the famous and the hyperactive willing to pay more than \$4,500 to fly from London or Paris to New York in three and a half hours in champagne-sipping silence and luxury will have to switch to aircraft that take twice as long to make the trip.

Concorde 001, assembled by Aerospatiale of France, was rolled out in December 1967, but the veteran test pilot Andre Turcat did not make the maiden flight from Toulouse to Le Bourget, near Paris, until March 2, 1969, following completion of a program to test the powerful Olympus engines.

Packed with scientific equipment, the prototype flew for a total of 810 hours until it was retired from service and later

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Concordes flown by Air France, which along with British Airways makes an operating profit on the planes. However, a successor is unlikely.

## Hard Times Dull Hong Kong's Esteem for Tycoons

By Philip Segal  
International Herald Tribune

HONG KONG — When Hong Kong's tycoons complained in public this year that they wanted the government to sell more land, the government obliged days later. When the richest and most powerful bid too much for concessions at the new airport and then made less money than they had planned, rents conveniently dropped by 30 percent.

In the grand old Hong Kong tradition, dating from before Britain even formally annexed what has again become Chinese soil, this territory's business leaders are simply claiming what they see as rightfully theirs:

influence over government policy to a degree rare in places so wealthy.

But while the clout of the business sector here is still enormous, tycoons here also want the public respect and deference that they have been traditionally accorded. Now, however, there are strong signs that this esteem is fading.

In the past year, Hong Kong's deeply slumping economy and increasingly vocal policies have strained a previously comfortable relationship, in which business and government worked together, while ordinary people were grateful or at least indifferent.

"The tycoons are worried about two things," said

Joseph Cheng, director of the Contemporary Research Center at the City University of Hong Kong. "They're worried about the impact of the widening gap between the rich and poor in the community, and they're worried about the perception of the rich among ordinary people in times of economic difficulties."

The richest citizens here "no longer get the kind of esteem, recognition and deference that they think is their due," said Michael Degolyer, who runs the Hong Kong Transition Project, an ongoing study dating from 1982 into the attitudes and values of

See HONG KONG, Page 4

## U.S. Jets Hit a Dozen Sites In Flurry of Raids on Iraq

By Steven Lee Myers  
New York Times Service

WASHINGTON — A day after mounting an attack that Iraq said disabled an oil pipeline, American jets attacked a dozen sites in northern Iraq on Monday in the most intense flurry of strikes since four nights of bombing in December, Pentagon officials said.

Responding to what the Pentagon considered Iraqi provocations, American F-15E jets based in Turkey dropped more than 30 precision-guided bombs and missiles on an array of Iraqi air-defense sites, including anti-aircraft artillery, command bunkers and radio towers, the officials said.

It was the third day of intense bombing in northern Iraq, and the strikes were in line with the Pentagon's aggressive enforcement of the no-flight zones in northern and southern Iraq.

Secretary of Defense William Cohen, appearing at the Pentagon on Monday, said that American jets "may or may not" have disrupted the flow of oil through a pipeline between Iraq and Turkey when they attacked a radio

tower in northern Iraq on Sunday. Mr. Cohen said the radio tower, which appears to have controlled the oil flow, was a legitimate military target, used by Iraqi forces to challenge American and British jets in the northern no-flight zone.

"They can go after command and control and communications centers as well as allow Saddam Hussein to try to target them and put them in jeopardy," Mr. Cohen said of the sweeping orders that American pilots have to strike Iraqi targets.

"So they have some flexibility and they will continue to have that flexibility," Iraqi officials were eager to draw attention to Sunday's strike.

They were apparently hoping to undercut the Pentagon's claims that the continuing attacks, coming on average every other day, have focused solely on military targets.

Iraq initially claimed that the attack hit a pumping station, but Monday Iraqi officials took journalists to a radio tower that had sustained damage.

The pipeline, which runs from



A worker at an oil facility that Iraq says was damaged by U.S. bombs.

Kirkuk to the Turkish port of Ceyhan, carries the oil that Iraq is allowed to export as part of a United Nations-authorized allowance to purchase food and medicine.

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## Joining Forces for Bush

### Republicans Ignore Ideological Differences

By Richard L. Berke  
New York Times Service

SACRAMENTO, California — The Reverend Louis Sheldon, an uncompromising conservative who heads a national group called the Traditional Values Coalition, has built his career denouncing homosexuals.

But Mr. Sheldon may back a prospect for the Republican presidential nomination whose oratory on the subject has been decidedly tame: Governor George Bush of Texas.

"It's pragmatic," said Mr. Sheldon, who has never been known as pragmatic.

April Boling, an accountant who is active in state Republican Party politics, said that, although the issue most important to her is support for abortion rights, she too favored Mr. Bush, even though he is against abortion.

"I'm not as uncomfortable with his politics as some of the others," Ms. Boling said. "And his father used to be pro-choice."

Mr. Sheldon and Ms. Boling, who attended the California Republican Party's winter convention that closed

here Sunday, represent opposite, often antagonistic, wings of their party.

Their support for Governor Bush underscores an extraordinary turn in Republican politics: an early, and colossal, outpouring of Republicans of all stripes who have set aside their ideological convictions to support a governor who has yet to formally announce his intentions — and who is untested and largely unknown on the national stage.

From Capitol Hill to state legislatures, Republicans around the country have declared their support for Mr. Bush in what has become an almost daily drumbeat of endorsements that has been encouraged, but not always choreographed, by the governors' advisers. On Friday, for example, more than half of the nation's 31 Republican governors professed their allegiance.

Mr. Bush's father, former President George Bush, did not enjoy such vast support at this point when he ran for president in 1988 — and as vice president, he was the heir apparent.

Here at the state party convention, there were several telling demonstra-

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### AGENDA

#### French Bury U.S. In Iran Oil Deal

Thumbing their noses at American opposition to investments in Iran, a consortium of French, Italian and Iranian oil companies announced on Monday a \$998-million, 10-year contract to redevelop a giant crude oil field there.

Elf Petroleum Iran, a subsidiary of the privately-owned French oil company Elf Aquitaine SA, will be the lead partner.

A spokesman for Elf Aquitaine said it expected no U.S. retribution under a law that threatens sanctions against any country investing more than \$20 million in Iran. Another French company, Total SA, avoided sanctions in a 1997 gas exploration deal in Iran. Page 5.

#### Olympics and Gifts

A U.S. Olympic Committee commission established to investigate corruption in the awarding of the 2002 Winter Games condemned a "culture of gift-giving" in the Olympic movement. Page 18.

The Dollar			
	Monday @ 4 P.M.	previous close	
New York	1.089	1.1025	
London	1.6094	1.603	
Yen	119.835	119.05	
DM	1.7955	1.774	
FF	6.0219	5.947	

The Dow			
	Monday close	percent change	
Dow Jones	9,324.78	+0.20%	
S&P 500	1,235.16	-0.18%	

Nasdaq			
	Monday close	percent change	
Nasdaq	2,295.18	+0.31%	

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Denmark	17 DKK	Oman	1,250 OR
Finland	12,000 FIM	Qatar	10,000 QR
Gibraltar	5 G	Rep. Ireland	IR £1.10
Great Britain	£1.00	Saudi Arabia	10 SR
Egypt	SE 5.50	S. Africa	R16 incl VAT
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kenya	K SH. 160	U.S. Mail (Bar.)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim\$40.00





## Nation in a Time Warp / Soviet-Style Economy Persists

## Ukraine Warns It Needs Help on Arms Plants

By Michael Wines  
New York Times Service

**L**VIV, Ukraine — The citizens of this graceful but impoverished city have a message for the West: Hand over your money or we'll shoot.

Just a decade ago, when Ukraine was part of the Soviet Union, Lviv was a prime supplier of Moscow's tanks, bombsights and military electronics.

When the Soviet Union disintegrated in 1991, so did Lviv's weapons orders, scores of thousands of factory jobs — and then, bit by bit, the city's hope that there would be a bright capitalist future.

The question now, says its young mayor, Vasyl Kuybida, is whether the capitalists want to do anything about the problem. And what Lviv will do if the West doesn't help out.

Either we find international sources to finance the conversion of these factories," Mr. Kuybida said in an interview this month, "or we'll be forced to return to arms production on the level of France, Germany, Great Britain and so on."

"There are not moral standards just for us," he said.

Whether bluff or threat, it captures a gnawing worry among some political leaders and intellectuals here that Ukraine's best opportunity to fix itself firmly in Europe — maybe its last for a long time — is in danger of slipping away.

The trappings of a Western democracy are all there. Ukraine can hold free elections with the best of them, and its leaders say they are committed to laissez-faire capitalism and enlightened self-rule.

But outsiders say the bureaucracy still shows its Soviet roots and methods.

Communist legislators block the most crucial reforms. The basket-case economy remains lashed to its Russian past — and the longer it stays there, the tighter the bind becomes.

How tight could be decided as soon as October, when Ukraine will hold its third presidential election since independence in 1991.

With eight months to go, the pro-European incumbent, Leonid Kuchma, is in trouble, unable so far to raise living standards and unwilling, by some accounts, to uproot endemic official corruption.

More telling, he has largely failed to overhaul Ukraine's Soviet-era economy. Major industries remain under state control and land has still to be sold.

Few companies have looked beyond Moscow either for raw materials or for customers — 60 percent have business ties with Russian firms — and so Russia's crash starting last August stopped Ukraine's economy cold.

In fact, it may add another two years of recession to the three Ukraine has already endured.

For a nation still spending comparatively huge sums to address the aftermath of the Chernobyl



A woman in Kiev trying to sell jars of coffee to people waiting at a bus stop. Such sidewalk enterprise is common in a nation still largely mired in its past. Ukrainians, especially in the western regions, look forward to joining with Europe, but the economy is hobbled by resistance to capitalist reforms. The formerly thriving weapons industry is mostly idle now and looks to the West to help convert factories to make consumer goods.

James H. H. / The New York Times

nuclear disaster almost 13 years ago, the economic problems are backbreaking. Fiscal analysts say the country will be hard pressed to pay its foreign debt this year.

As in Russia, the government has deferred some pensions and salaries to workers at state-owned industries. The citizens have usually been stoic, but not always: recently, one unpaid coal miner died when he set himself afire. A half-dozen miners cut their wrists but survived.

The fault is not all Mr. Kuchma's. Ukraine's 450-member Parliament, a fistfight-prone body with a corruption problem, is swayed by current and former Communists who have blocked land privatization and an overhaul of the crippling tax system.

But the president is getting the blame. And were the election held tomorrow, many analysts say, voters might dump him for a candidate from the Socialist and the Communist left.

A leading contender, they say, would be Oleksandr Moroz, a Socialist Party leader seen by many as the least radical of the leftists.

**I**F VOTERS feel the same this fall, it could change the course of Ukraine's young democracy. Most leftists favor still closer political and economic ties with Russia. And more are warming to the notion that Ukraine should join an emerging alliance between Russia and their mutual neighbor Belarus, where power is in the hands of an economic Soviet-style dictator.

"It all depends on whether the West has any strategy," said Vira Manivska, who heads the International Center for Policy Studies, a Kiev group dedicated to improving Ukrainian governance.

"If things go their own way here, I don't think we have many chances of being independent of Russia. The only thing going for us is that Russia doesn't have any strategy, either."

Ukraine has done some things right. Its central bank handled the economic slide last fall more deftly than Russia did, with the result that its banking system has survived largely intact and its creditors are mostly satisfied. The government is moving to reduce taxes, a big barrier to foreign investment.

After threatening to halve its aid because of Ukraine's lack of progress toward economic reform, the United States said Friday that it was releasing \$195 million in assistance this year, in part because the business climate has improved.

The country also boasts something no other former Soviet state has — a second president who was freely elected. If it is poor, Ukraine is also stable, democratic and — for the moment, at least — insistent on remaining sovereign.

Ukraine's problems cannot be ignored. Its western neighbors — Poland, Hungary and other former Soviet satellites — see it as the main buffer between them and an increasingly wretched Russia.

Potentially, it is a formidable ally or rival: Ukraine is far larger in area than Poland and Hungary combined, its military is nearly as big as theirs and with 50 million people, it is just as populous.

But the superlatives end at economics. The average Ukrainian earns \$40 a month. A comparable Hungarian makes eight times that.

Foreign investors have put \$2.7 billion into Ukraine during eight years of independence. In Poland, they invested three times that last year alone. In dollar terms, the average Pole produced four times as much as an average Ukrainian last year.

Poland, Hungary and the nearby Czech Republic are joining NATO in March and, almost certainly, down the road, the European Union. Ukraine is not even on the waiting lists.

"To adapt our military system to NATO re-

## Ukraine at a Glance



quirements, we'd have to spend \$1.7 billion a year, maybe more," said Olexandr Razumkov, deputy head of Ukraine's National Security and Defense Council and the country's liaison to Russia. "You have to understand that the actual budget for all Ukraine isn't more than \$8 billion."

As for membership in the European Union, "It's not realistic for 10 or 15 years," he said. How adjacent nations could take such divergent courses is as much a matter of mentality as of geography.

Poland had centuries of independence in the course of its history, well before it became a Soviet satellite after World War II. When the Soviet empire crumbled, Poles knew precisely what they wanted next — freedom.

Much of present Ukraine, by contrast, was part of the Russian Empire for centuries. At intervals, with changing borders and foreign occupations, parts of western Ukraine were under Poland and Austria. A Trans-Carpathian sliver, Ruthenia, was under Czechoslovakia briefly.

Eastern Ukraine took on a Russian character and, as a result of Soviet industrialization and coal resources, an assemblage of smoky factories and other plants. The western part was more European-oriented but agricultural and poor.

## Fresh Doubts Raised Over Nigerian Vote

**ABUJA, Nigeria** — The Nigerian president-elect, Olusegun Obasanjo, faced a fresh challenge Monday from his defeated rival, Olu Falae, who refused to accept the result of weekend elections that were marred by reports of rigging.

Mr. Falae's allegations were strengthened by a statement by Jimmy Carter, the former U.S. president, who said that irregularities in the voting had been so serious that he would not be able to judge the outcome.

"Constitutionally and legally and politically we will fight it every inch of the way," Mr. Falae said of the official results.

Mr. Falae received 11.1 million votes compared with 18.7 million for Mr. Obasanjo in the election on Saturday, a vital step toward ending 15 years of uninterrupted military rule in Africa's most populous nation.

Mr. Obasanjo, 61, is due to take office on May 29, when the current military ruler, General Abdulsalam Abacha, has pledged to step down. The unexpected death of the former dictator, General Sani Abacha, in June 1998 opened the door to Nigeria's latest attempt at democracy.

"The stage has been set for the enthronement of a genuine democratic order in Nigeria," said the chairman of the Independent National Electoral Commission, Justice Ephraim Akpata. He proclaimed Mr. Obasanjo the winner despite an attempt by Mr. Falae's to stop the announcement.

The election was monitored internationally, and Mr. Carter was co-leader of American observers.

"There was a wide disparity between the number of voters observed at the polling stations and the final result that has been reported from several states," Mr. Carter said in a message delivered after he left Abuja.

"Regrettably, therefore it is not possible for us to make an accurate judgment about the outcome of the presidential election."

The United States welcomed the election but said that the reports of cheating should be investigated.

"It's clear that a Nigeria that is democratic and protects human and civilian rights can be an anchor for the new Africa," said David Leavy, a spokesman for the U.S. National Security Council.

"Any allegations of vote irregularities should be looked into by the appropriate authorities," he said.

South Africa applauded Nigeria's return to democracy.

## Fighting Continues On Eritrean Border

Agence France-Presse

**ASMARA, Eritrea** — The Ethiopian and Eritrean armies were fighting Monday on the western Badme front of their border war, according to the Eritrean presidential chief of staff, Yemane Ghebremeskel.

He said Eritrean soldiers had reported inflicting heavy casualties on the Ethiopian forces.

Ethiopia claimed victory on the western front Sunday after Eritrea lost the town of Badme, which had been seized in May when conflict broke out along the disputed frontier, and accepted a peace plan.

An Organization of African Unity peace plan, proposed in November and accepted by Ethiopia, had stalled on a demand that Eritrea withdraw from Badme before a neutral demarcation of the border.

Eritrea's acceptance of the OAU plan was conveyed to the United Nations Security Council on Saturday.

## Respected Abroad, Nigerian Victor Faces Deep Distrust at Home

By Norimitsu Onishi  
New York Times Service

**LAGOS, Nigeria** — General Olusegun Obasanjo, who will soon become Nigeria's first elected president after 16 years of military dictatorships, is an anomaly in this country's recent history, and a man of apparent contradictions.

One of eight generals who have ruled Nigeria since independence from Britain in 1960, he is famously known as the only one to have given up power voluntarily.

On a continent where ethnic identity plays a critical role in self-definition and has been the basis of countless conflicts, he is trusted by Nigeria's northern Hausa-Fulani, while many of his fellow Yoruba in the south look at him askance.

A general who himself engendered resentment for governing with a strong hand before 1979, he also gained respect after being jailed in 1995 as an outspoken critic of the military dictatorship and was released from prison only eight months ago.

Regarded in the rest of Africa and in the West as a defender of democracy, he

is mistrusted by many Nigerians for his military past and his links to powerful fellow retired generals who are believed to have bankrolled his road to the presidency.

Those contradictions might prove to be both strengths and weaknesses over the next four years of his presidency. At 61, he is at once free of the rigid molds that have divided Africa's most populous nation and lacking in the bedrock ethnic support that has been the foundation of most politicians in the region.

Having presented himself during the weeklong election campaign as a safe bridge between the present military government and a future civilian administration, General Obasanjo will assume the presidency in an elaborate ceremony on May 29.

After the end of his first presidency, in 1979, General Obasanjo established a farm about 35 miles north of here, where he raised pigs and cultivated bananas. He also cultivated the reputation of an elder statesman, even as he kept his image as a short-tempered, gruff soldier. In a "Who's Who in Nigeria," he listed his hobbies as "farming, table tennis, snooker, squash."

During an appearance on national television last week, he scored points with the audience by alluding to a traditional, earthy Nigerian stew made with ground melon seeds. It was a successful, if sincere, version of President Bush's political use of pork rinds.

General Obasanjo was born in Abeokuta, about 60 miles north of here in the heart of Yorubaland, on March 5, 1937. In the same city, within a year of his birth, were born two other future Yoruba giants, Moshood K.O. Abiola, the opposition leader and presumed winner of the 1993 presidential elections, and Fela Anikulapo-Kuti, the creator of Afro-beat music and social critic. The Yoruba are one of Nigeria's three main ethnic groups, along with the Hausa-Fulani and the Ibo.

A Christian, he attended Baptist Boys' High School, along with Mr. Abiola. He worked as a teacher for a year before joining the army in 1958. After training in Britain and India, he rose quickly within the ranks. During the Biafran civil war, when the Ibo tried to secede, he was put in charge of a commando unit that obtained the surrender of a rebel leader, effectively ending the fighting in 1970.

In 1975, after the longtime military ruler indefinitely postponed a promised return to civilian rule, General Murtala Mohammed staged a coup and began a program to hand over power to civilians

in 1979. But after General Mohammed was assassinated in a failed coup, General Obasanjo, his deputy, was named president.

Domestically, General Obasanjo stuck to the program of transition. And in foreign policy, it was under him that Nigeria, emboldened by the gush of oil money, began flexing its muscles. In international diplomatic circles, Nigeria became the leading African opponent of white-ruled regimes in South Africa, Namibia and the former Southern Rhodesia, now Zimbabwe. It also became the center of liberation movements whose leaders operated out of Lagos.

After President Jimmy Carter came to office in the United States, the two leaders established a relationship that has lasted until today. General Obasanjo visited Washington in October 1977. Half a year later, Nigeria welcomed Mr. Carter, who became the first U.S. president to pay a state visit to a sub-Saharan country.

General Obasanjo earned lasting esteem when elections were held in 1979 as planned, and he stepped down for the civilian president, Sheth Shagari.

But to many of his fellow Yoruba, it was the biggest of many perceived acts of betrayal. The elections had been close and General Obasanjo had called them in favor of Mr. Shagari, a northerner, over an opponent who was a Yoruba.

In Lagos and the rest of Yorubaland, General Obasanjo is also remembered for a bloody crackdown on students protesting tuition hikes. Soldiers also continued to use brutal tactics.

To this day, many Yoruba have not forgiven General Obasanjo for the 1979 elections and his ties to the north. "He's Yoruba, but he has deceived us," said Afusa Oladunni, a 37-year-old civil servant, as she voted on Saturday.

By contrast, General Obasanjo earned northerners' enduring trust by relinquishing power to one of their own. And he used the respect he had earned outside Nigeria to carry out diplomatic missions for the United Nations and the British Commonwealth across Africa. A decade ago, he was considered for the position of United Nations Secretary General.

Mr. Carter, who led a delegation of American election monitors, said Monday as the general's victory became clear: "I don't think there is an African leader, with the possible exception of Nelson Mandela, who is better known or respected by a multiplicity of international organizations as General Obasanjo is."

But Mr. Carter said that it would be crucial for General Obasanjo — who will now govern the country as an elected president and not as a military ruler — to overcome the distrust of the south. "I think it will be a handicap for him," Mr. Carter said.

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## TRAVEL UPDATE

### Lufthansa Adds Flights in Asia

**SINGAPORE (AFP)** — The German air carrier Lufthansa said Monday it would increase capacity on some of its Asia-Pacific services through additional flights and code-sharing agreements with other airlines. The increased capacity will be in effect from March 28 to Oct. 30 as part of the airline's summer schedule.

Each week Lufthansa will have 10 flights between Tokyo and Frankfurt, three between Nagoya, Japan, and Frankfurt, and five between Shanghai and Frankfurt. An expanded code-sharing arrangement with Thai Airways will provide daily services via Bangkok between Frankfurt and Sydney. A similar arrangement with New Zealand will increase services between Frankfurt and Los Angeles to and from Auckland.

### Trains Roll Again in Austrian Alps

**INNSBRUCK, Austria (AFP)** — The rail company ÖBB reopened the main east-west route crossing the Austrian Alps on Monday after avalanche risks closed it for nine days.

Avalanches claimed 38 lives last week in a Tyrolean valley and an airlift evacuated more than 10,000 tourists from the area. The risk of avalanches fell slightly Monday, to between two and three degrees on a five-degree scale, weather experts said.

Dozens of South African tourists were stranded Monday in the coastal town of Vilanculos, Mozambique, awaiting an airlift after floods destroyed roads, officials said. Local authorities said some tourists sold their vehicles or boats to pay for chartered plane rides out of Vilanculos, which is opposite the popular Bazaruto archipelago.

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## WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Region	City	Today	Tomorrow	Day After
Europe	Algeria	18/24	19/24	19/24
	Amsterdam	11/18	12/18	12/18
	Antwerp	11/18	12/18	12/18
	Athens	17/22	17/22	17/22
	Berlin	10/17	11/17	11/17
	Bombay	24/30	24/30	24/30
	Buenos Aires	12/23	12/23	12/23
	Calcutta	24/30	24/30	24/30
	Chennai	24/30	24/30	24/30
	Colombo	24/30	24/30	24/30
North America	Atlanta	20/27	20/27	20/27
	Boston	10/17	11/17	11/17
	Chicago	10/17	11/17	11/17
	Denver	10/17	11/17	11/17
	Houston	20/27	20/27	20/27
	Los Angeles	18/24	19/24	19/24
	Manila	24/30	24/30	24/30
	Mexico City	24/30	24/30	24/30
	New York	10/17	11/17	11/17
	San Francisco	10/17	11/17	11/17
Asia	Beijing	10/17	11/17	11/17
	Bombay	24/30	24/30	24/30
	Calcutta	24/30	24/30	24/30
	Chennai	24/30	24/30	24/30
	Colombo	24/30	24/30	24/30
	Delhi	24/30	24/30	24/30
	Dhaka	24/30	24/30	24/30
	Guangzhou	24/30	24/30	24/30
	Harbin	10/17	11/17	11/17
	Hong Kong	24/30	24/30	24/30
Africa	Accra	24/30	24/30	24/30
	Aden	24/30	24/30	24/30
	Algiers	18/24	19/24	19/24
	Amman	18/24	19/24	19/24
	Ankara	18/24	19/24	19/24
	Antananarivo	18/24	19/24	19/24
	Asmara	18/24	19/24	19/24
	Bamako	18/24	19/24	19/24
	Brazzaville	18/24	19/24	19/24
	Conakry	18/24	19/24	19/24
Oceania	Auckland	10/17	11/17	11/17
	Brisbane	10/17	11/17	11/17
	Canberra	10/17	11/17	11/17
	Darwin	10/17	11/17	11/17
	Hobart	10/17	11/17	11/17
	Melbourne	10/17	11/17	11/17
	Perth	10/17	11/17	11/17
	Sydney	10/17	11/17	11/17
	Tokyo	10/17	11/17	11/17
	Wellington	10/17	11/17	11/17

Legend: sunny, partly cloudy, cloudy, showers, thunderstorms, rain, snow, fog, hail, ice, etc.

مكتبة الأمل



THE AMERICAS

# Humbled Republicans Now Talk of Working With Clinton

By Guy Gugliotta  
and Eric Pianin  
Washington Post Service

WASHINGTON — Chastened by electoral reverses and plunging popularity, congressional Republicans are reaching out to the Clinton administration to find compromise solutions to problems that would have been untouchable at the height of the impeachment controversy.

Having failed to remove Mr. Clinton from office, Republican lawmakers are expressing optimism that they can find common cause with the White House on issues such as Social Security, taxes and national defense. And in a striking departure from the recent past, many rank-

and-file Republicans appear to be abandoning ideological confrontation in favor of a new pragmatism.

"A lot of Republicans have been changed by being slapped in the face a couple of times," said Representative Wayne Gilchrest, Republican of Maryland. "We're a fairly solid force now, and the pure ideologues are fewer in number."

The new mood became clear last week in interviews with about three dozen House and Senate Republicans, who got back to work after Mr. Clinton's impeachment trial. Many of those interviewed said they were encouraged by what they saw as the president's willingness to meet them midway, putting a Social Security plan on the table and

signaling conditional support for the Republicans' long-sought anti-ballistic missile defense system — despite opposition from many Democrats.

At the same time, a strong streak of self-preservation was at work. In a post-impeachment world, with small majorities and a battle for control of Congress looming in 2000, many Republicans have taken a cold look at their options and decided that to survive and prosper they must achieve legislative results. That requires them to abandon inflammatory rhetoric.

"We need to find places where we can agree with the president," said Representative Mark Edward Souder, Republican of Indiana and a frequent firebrand in the past. "The American

people look at us like we were Bosnia, and they're sick of the fighting."

Many Republicans say Mr. Clinton needs them as much as they need him. "There's a common interest between Republicans and the administration to get some things done, but the Democrats may not share it," said Representative W. J. Tawzin, Republican of Louisiana. "We're in for a window of opportunity, but as we get closer to the election cycle, the window closes."

Other obstacles loom. Many hard-core conservatives worry that the Republican Party may end up abandoning the legislative field to the Democrats and in the process lose the House and perhaps the Senate because of a failure to make clear their doctrinal differences.

"We will work with colleagues on the other side of the aisle, but the core will be our agenda," said Representative David McIntosh, Republican of Indiana and leader of a group of House conservatives who call themselves the Conservative Action Team.

"The critical thing is not to fall into the trap of saying, 'We have to get something done, so let's pick out some Democratic bills like raising the minimum wage or campaign finance reform.'"

Republicans also appear, at times, profoundly ambivalent about working with Mr. Clinton.

Just after the president's impeachment, the Senate majority leader, Trent Lott, Republican of Mississippi, said he would have trouble trusting Mr. Clinton and suggested that the Monica Lewinsky scandal might be "only a chapter in our national nightmare." But he later said, "We're going to work together in the Congress and with the administration to do what the American people expect of us."

Nowhere is this double take more apparent than in the emerging debate over Social Security.

On the surface, Republicans have heaped criticism on Mr. Clinton's proposals, focusing on their vagueness and his plan to invest part of the Social Security funds in the stock market.

But scratch the surface and it is apparent that many Republicans regard Mr. Clinton's willingness to counteract the private investment of retirement funds as a courageous break with what they view as the demagogic past when the Republican Party was routinely pilloried for threatening to "touch" Social Security.

Mr. Gilchrest called Mr. Clinton's State of the Union speech that took up the topic "breaking the crystal chandelier." Senator Robert Bennett, Republican of Utah, praised Mr. Clinton for speaking "the right words," and Representative Phil English, Republican of Pennsylvania, saw a "once-in-a-decade opportunity" for meaningful structural reform.

The fact the president has put Social Security reform on the table took some courage, added a conservative senator, Richard Shelby, Republican of Alabama. "His proposal is out the answer at all, but the proposal is the beginning of a dialogue on a high level that we never had before."

Republicans generally agree with Mr. Clinton's desire to set aside 62 percent of projected budget surpluses for Social Security.

The president also proposed investing a small part of the program's trust fund in stocks and providing seed money for taxpayers to open their own retirement accounts.

## Special Counsels: Time to Pull Plug?

WASHINGTON — The Republican chairman of a key Senate committee, Fred Thompson of Tennessee, and the Senate minority leader, Thomas Daschle of South Dakota, have predicted that Congress will refuse to reauthorize the independent counsel law later this year and said that future allegations of wrongdoing by high government officials should be investigated by the Justice Department.

Mr. Thompson, who heads the Senate Governmental Affairs Committee, which is conducting hearings on the future of the law, said Sunday that the office of independent counsel had been created in an attempt to bring both independence and accountability to investigations of government officials. "And we've about concluded you can't have both at the same time," he said.

Mr. Daschle echoed that sentiment, saying, "I don't think it's fixable to anyone's satisfaction." He added: "I think the time has come for us to close the books and try to find another way within the Justice Department itself to handle these responsibilities. I think we can."

The independent counsel law was enacted after the Watergate scandal of the 1970s, during which President Richard Nixon ordered the firing of Archibald Cox, the first Justice Department special counsel to investigate the matter. But a public uproar forced the appointment of a second Watergate special counsel, Leon Jaworski, who successfully prosecuted several Nixon aides and associates.

Mr. Thompson said that since the independent counsel law had been enacted in an attempt to insulate high-profile investigations from political pressure, "it's the lack of accountability" that had become the main problem. (WP)

## Quote/Unquote

Governor Gray Davis of California as he named President Bill Clinton an honorary citizen of the state on his 43d trip there since winning the White House: "He, as you know, is a son of Arkansas, but he has been here so often during the last six years that I am making him an honorary citizen of California. We'll free him from the burden of our high tax rate, but he'll have all the rights and privileges of citizenship." (LAT)

## California Conservatives Register a Party Victory

By Thomas B. Edsall  
Washington Post Service

SACRAMENTO, California — Conservative Republicans have crushed an attempt by moderates to take over leadership of the party in California, electing a chairman who believes "killing babies is the issue of the century" and would withhold party money from Republican nominees who do not oppose so-called partial-birth abortion.

The vote Sunday in favor of John McGraw, a Silicon Valley executive, was a major victory for the religious right and the conservative activists who have dominated the Republican Party in recent decades. Party leaders acknowledge that voters in California more solidly favor abortion rights than those in other states.

In a brief victory speech, Mr. McGraw said he was a man "of strong convictions," but he promised a "tolerant" administration with the "door always open."

The California Republican Party is "seen as made up of really harsh conservatives, anti-minority, too conservative, pro-life, etcetera, and it just doesn't sell in this state," said a Republican voter, Dick Dresner, before delegates voted 718 to 457 for Mr. McGraw over Nicholas Bavaro, who heads the party in Stanislaus County.

"If they continue to get caught up in the abortion issue, it will continue to make the party's role irrelevant," Mr. Dresner said.

In the 1970s and 1980s, the California Republican Party dominated state and presidential elections by taking on the

issues of affirmative action, immigration and taxes.

Now the party faces a crisis: The demands of the white majority have largely been met through passage of referenda against high taxes, affirmative action and immigration. As the salience of those issues has declined, abortion and gay rights, which the party's conservative wing strongly oppose, have taken center stage. Many voters, however, do not share the views of that conservative wing and have cast ballots for Democrats in protest.

In addition to making right-leaning voters complacent, the success of the conservative initiatives has helped to mobilize such Democratic constituencies as Hispanics and single, working women.

At the state convention this weekend, Senator Bob Smith, Republican of New Hampshire, who is seeking the party's presidential nomination, elicited cheers from the conservative majority but silence from moderates with a ringing endorsement of Mr. McGraw.

"John McGraw was absolutely right," Mr. Smith said. "Killing children is the central issue facing our nation today. If we are not willing to stand up for the rights of unborn children, maybe the Republican Party deserves to fall into the ashcan of history."

Mr. Smith and such intensely conservative presidential aspirants as Alan Keyes and Gary Bauer, the former head of the Family Research Council, received overwhelmingly more applause than a centrist senator, John McCain, Republican of Arizona.

Right now, California Republicans



PROTEST OVER ISRAEL IN NEW YORK — Ultra-Orthodox Jews demonstrating against recent judicial decisions in Israel that, they say, reduce their influence over secular life in the Jewish state. The dispute has mushroomed into a major political debate in Israel.

are perceived to be a very nasty, mean-spirited group of angry white men," said Sherry Bebitch Jeffe, a Claremont University political scientist who has studied the party extensively. "If they leave here bloody, without moving toward reshaping that image, they are in real danger in the next election."

## Does Mom's Work Hurt? Not Likely

By Barbara Vobejda  
Washington Post Service

WASHINGTON — A comprehensive, multiyear study concludes that mothers who work outside the home are not harming their children.

The research, published in the March issue of Developmental Psychology magazine, assessed the behavior, academic achievement and psychological health of more than 6,000 children and found no permanent negative effects from their mothers' absence. In some cases, the study found, children may be helped by the added income from their mothers' work.

Specialists in the field say the new research conducted by Elisabeth Harvey, a psychologist at the University of Massachusetts, supports what similar studies have indicated: The general quality of family life, including the mental stability and maturity of parents, is vastly more important in determining how children fare than the question of whether their mothers are employed elsewhere.

"A number of studies are now suggesting," said Andrew Cherlin, a sociologist at Johns Hopkins University,

"that if the quality of parenting at home is good, having a working mother doesn't hurt children. It doesn't seem to be the case that a parent has to be with a child all day long for that child to develop successfully."

The study is being released at a time of intense political and social debate about the effect of working mothers, long hours of day care and fast-paced family life on a generation of children.

A majority of mothers in the United States — 70 percent — work outside the home, including the mothers of 10 million children under the age of 5. That creates a ready audience for academic research on whether such children are suffering intellectually or emotionally because their mothers are not at home.

Ms. Harvey set out to examine the long-term effects of maternal employment in the first three years of a child's life. She analyzed data collected in the National Longitudinal Survey of Youth, a survey of 12,600 people who have been interviewed yearly since 1979. She looked specifically at information about children who had been polled every two years from 1986 to 1994.

Ms. Harvey looked at several variables, including how soon a mother returned to work after having her child and how many hours she worked weekly. Assessments of children's behavior, intellectual development, self-esteem and academic achievement were based on standardized tests and, in some cases, reports from parents.

On one measure — children's compliance and temperament — Ms. Harvey found that 3- and 4-year-olds whose mothers stayed at home longer after birth were slightly more compliant. But the differences between the two groups were slight and had disappeared by the time the children reached 5 and 6.

In addition, children whose mothers worked more hours scored slightly lower initially on academic achievement and vocabulary tests. But those differences disappeared by the time the children turned 7.

The study also found that children were not affected by having their fathers work in the early years of their lives.

Ultimately, Ms. Harvey wrote, "no consistent evidence of substantial effects of early parental employment on children's later development was found."

When Mr. Cullins and Ms. Sutton returned home, they saw smoldering crosses on their lawn and heard racial slurs yelled by the three men.

Mr. King and the Smiths were indicted in 1996 and charged with conspiring to violate their neighbors' civil rights, intimidation and use of force during a felony.

Their conviction on the last charge added five years to each man's sentence. In all, Mr. King was sentenced to six years in prison; Alfred Smith to six years and nine months; and Eugene Smith to 15 years.

In a third case, the Court agreed to use a clean-water dispute from South Carolina to clarify how far private citizens could pursue lawsuits against polluters.

The court's eventual decision, expected next year, is likely to carry great practical importance for environmentalists and the companies they sue over violations of the federal Clean Water Act.

Three groups — Friends of the Earth, Citizens Local Environmental Action Network and the Sierra Club — sued Laidlaw Environmental Services in 1992 over its operation of a hazardous waste incinerator in Roebuck, South Carolina, that discharged wastewater into North Tyger River.

The facility was closed in 1998. By the time a federal trial judge ruled on the lawsuit in 1997, Laidlaw was found to have come into compliance with the Clean Water Act. So the judge ruled that the environmental groups were not entitled to injunctive relief.

## High Court Upholds Hughes on Satellite Patent

The Associated Press

WASHINGTON — The Supreme Court refused Monday to lift a \$112 million award the federal government has ordered to pay to Hughes Aircraft Co. in a 26-year patent dispute over satellite technology.

The court, without comment, turned away the government's argument that the system it used for controlling satellites was different from Hughes' patented system.

Hughes sued the government in 1973, accusing it of unauthorized use of a patented Hughes system.

A U.S. Court of Federal Claims judge initially ruled for the government. But a federal appeals court reversed the ruling, saying that under a patent rule known as the "doctrine of equivalents," the two devices were similar enough to find that the government infringed the Hughes patent.

The trial judge ordered the govern-

ment in 1994 to pay Hughes about \$112 million, and a federal appeals court upheld the award.

In another case, the Supreme Court left intact the cross-burning convictions and prison sentences of three North Carolina men who tried to intimidate their neighbors, an interracial couple.

The court, without comment, turned away arguments that a federal anti- arson law wrongly was used to add five years to each man's prison term, and that the convictions violated their free-speech rights. A federal appeals court previously had rejected those arguments.

Alfred and Eugene Smith and Martin King lived in rural Haywood, North Carolina, across the street from Gordon Cullins, who is black, and Hazel Sutton, who is white.

Unhappy about a mixed-race couple in the neighborhood, the three men decided to burn crosses on their neighbors' front lawn on New Year's Eve 1992.

## Away From Politics

• Governor Christie Whitman of New Jersey removed Colonel Carl Williams after as superintendent of the State Police after a published report quoted him as saying it was naive to think race was not an issue in drug crimes and that cocaine and marijuana traffickers were most likely members of minority groups. (NTT)

• A deadly form of strep bacteria has infected 11 people in the Chicago area, killing 5 of them. The Illinois Health

Department and the U.S. Centers for Disease Control and Prevention are investigating to find the source of the strep A infections and learn whether the cases were related, officials said. (AP)

• Despite improved air quality in the Los Angeles Basin, residents still are breathing unusually dangerous levels of cancer-causing pollutants, according to a congressional study released Monday. (LAT)

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## INTERNATIONAL

# Israel-Lebanon Border

## Quiet as Armies Wait

Netanyahu Promises to Continue Reprisals  
But Hezbollah Refrains From New Attacks

By Deborah Sontag  
New York Times Service

JERUSALEM — The morning after an Israeli bombardment of guerrilla targets in Lebanon, the northernmost residents of Israel awoke Monday unsure whether the conflict would intensify or fade away.

The escalation never came. Everything remained quiet on the northern front of Israel, where tens of thousands of Israelis accept the conflict in South Lebanon as a fact of life.

Prime Minister Benjamin Netanyahu's cabinet decided not to act unless the Hezbollah, or Party of God, guerrillas attacked first. By evening, the Iranian-backed Shiite Muslim guerrillas had fired no rockets and ambushed no soldiers, and Israel's northern residents were permitted to emerge from underground after 24 hours.

Under international pressure to exercise restraint, Mr. Netanyahu ordered no fresh attacks, and no unusual military buildup was visible on the border. The prime minister did, however, promise future strikes, although they did not seem to be imminent.

"We will continue the battle against Hezbollah because they continue the battle against us," Mr. Netanyahu said. "I'm not going to get into operational steps, but we have our planes well laid out and our targets well chosen."

In Israel on Monday, three of the four victims of the bombing Sunday that triggered the raids were buried. A funeral for the fourth, Brigadier General Erez Gerstein, will be held on Tuesday. General Gerstein, who headed the army's liaison unit with the Israeli-backed South Lebanese Army, was the highest-level officer to die in the South Lebanon conflict in 17 years.

In retaliation for a week of guerrilla attacks that left seven Israelis dead and for the firing of Katyusha rockets on northern settlements, Israel unleashed one of its sharpest military offensives since 1996 on Sunday night. Its warplanes traveled deep into Lebanon to bomb guerrilla strongholds.

The army chief of staff, Shaul Mofaz, almost seemed to be declaring an invasion of Lebanon when he said on Sunday night that Israel was prepared, if necessary, to continue assaults "on the ground, in the air and from the sea." But he was using a military cliché to assert that the army

would be as aggressive as required. The army Monday released Gulf War-style footage of the bombings to Israeli television, showing buildings exploding in the crosshairs of the plane's scope.

In Beirut, a Hezbollah spokesman, Ibrahim Moussawi, said the Israeli Army had conducted about 12 raids. He said the eastern part of the Bekaa Valley city of Baalbek, which contains Hezbollah headquarters, was "physically damaged, but that there were no casualties." Hezbollah's construction company, Jihad al Bina, was expected to move in quickly to repair the damage, as it usually does in order to keep civilian morale from dropping.

The Israeli Army also bombed the underground bunkers of a radical Palestinian group in Naame, a city just south of Beirut. But Mr. Moussawi said it had been empty for some time.

"They always do this one," Mr. Moussawi said, referring to previous bombings of the same bunkers.

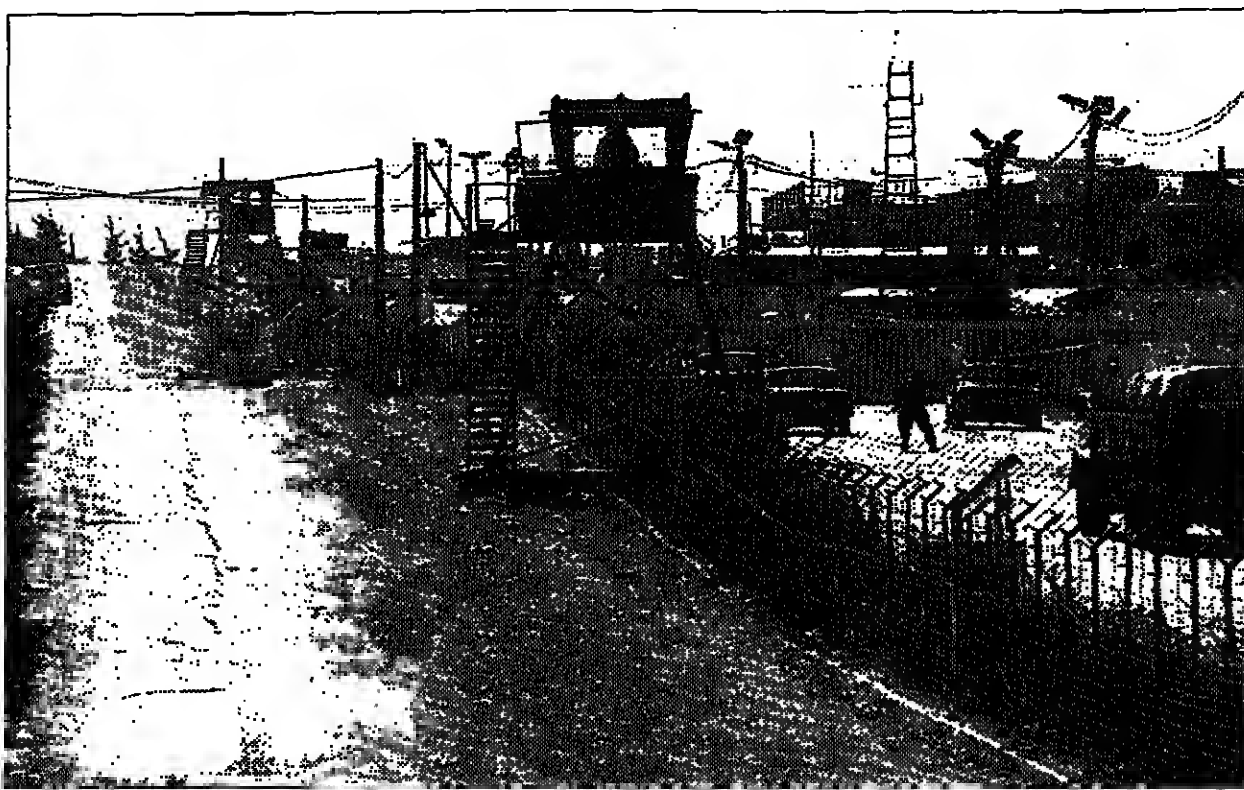
Timur Goksel, the senior adviser for United Nations forces in Lebanon, said there was only one raid in the southern zone, calling it "nothing out of the ordinary" and "nothing special."

On Sunday night, on the Hezbollah cable television station in Beirut, the guerrilla group sought to capitalize on its military successes. A roadside bomb early Sunday had killed four Israelis, including the general and a journalist.

After a Hezbollah anchorwoman, wrapped in a Muslim headscarf, reported the raids on the Israelis, advertisements sought fresh recruits — anyone, of any religion, they said, who wanted to join "the resistance."

With rockets, bombs, grenades and machine guns, Hezbollah is waging a low-level war to push Israel out of South Lebanon, where it has maintained a 9-mile-deep (14.5-kilometer) buffer zone since 1985 to protect its northern settlements.

In the last week, Hezbollah has mounted a media offensive, of sorts. Last week, machine gun-toting guerrillas took several dozen journalists on a tour of the front line in southern Lebanon. They traveled by jitney, albeit with blacked-out windows, sampled Turkish coffee and croissants and watched a video of Hezbollah's self-described "greatest hits," including grainy footage of bomb plantings and searches through rubble for body parts.



The border between Israel and Lebanon, seen from the Israeli side, the day after the Israeli general was killed.

## CONCORDE: Airliner, at 30, Looks Like a One-Shot Wonder

Continued from Page 1

Donated to the air and space museum at Le Bourget.

Concorde 002, which was assembled by the British Aircraft Corporation Ltd. — the predecessor of British Aerospace PLC — at Filton, near Bristol, England, made its first flight on April 9, 1969.

Deliveries were to have begun in 1973, and that was the rub. For that was the year of the great oil crisis, and the airlines that had placed orders for at least 74 Concorde realized that the gas-guzzling plane no longer made economic sense.

One by one the 16 customers canceled their orders, leaving the British and French taxpayers to pick up the then \$3.5 billion development costs.

The two airframe manufacturers and the engine makers — Rolls Royce Ltd. of Britain and SNECMA (Société Nationale d'Etude et de Construction de Moteurs d'Aviation) — estimated they needed to sell 300 Concorde to recoup the investment, but in the end they produced only 20 planes, of which 13 are in regular commercial service.

Even Air France and British Airways, then also state-owned, did not want to take Concorde, although the governments agreed to write off the entire development costs. The plane had become

what a British parliamentary committee described as "a modern Frankenstein's Monster," uneconomic to operate, and beset by political opposition over noise pollution and possible environmental damage — concerns that persist today.

Largely because of such opposition, Concorde did not fly commercially until Jan. 21, 1976 and began regular operations to New York only on Oct. 10, 1977.

Then the price of oil came down again in the 1980s, and Concorde suddenly became a nice little earner for its operators, as well as lending them a first-class cabaret that no rival airline could boast.

Encouraged by the success, Aerospace and British Aerospace began feasibility studies in 1990 on a larger-capacity successor to the 100-seat Concorde, with the range to cross the Pacific or the South Atlantic.

Most routes over land were ruled out because of the thunderclap that precedes Concorde as it flies twice the speed of sound. The conclusion of the study was that building the aircraft would not pose insurmountable technological problems, but that there was a market for only one such aircraft, and that it would require a collaborative venture by all the world's aerospace manufacturers.

But with the economic crisis in Asia,

Russia and Brazil, any market that might have existed for such a luxury has now collapsed. And, with their order books full of commands for conventional aircraft, but profits elusive, neither Airbus nor Boeing Co., the only manufacturers with the resources to produce a new supersonic, has any plans for such a plane.

If Concorde has been only half a success commercially, it was an important political as well as a technological step in the creation of a European commercial aircraft capacity big enough to challenge the United States. The 1962 agreement to develop Concorde between France and Britain was a forerunner of the four-nation agreement to create the Airbus consortium. And many of the technologies first tried on Concorde, including the development of lightweight and heat-resistant materials, aerodynamic surfaces and powerful engines, live on in the present generation of Airbus passenger jets.

## Land Mine Treaty Starts, Minus U.S.

Agence France-Press

GENEVA — A treaty banning land mines, which kill or wound someone on average about every 20 minutes worldwide, came into force Monday, but without the backing of the United States and other leading producers.

The Ottawa Treaty, signed by 132 countries after immense pressure from humanitarian groups, has been ratified by 65 signatory states.

The treaty, adopted at the end of 1997 after a year of negotiations, forbids the use, stockpiling, production and transfer of anti-personnel mines and calls on countries to destroy existing stocks.

The mines kill on average 26,000 people every year, 90 percent of them civilians.

The United States refused to sign on the grounds that it had to protect its soldiers in the demilitarized zone between North Korea and South Korea. The Demilitarized Zone has countless thousands of mines.

## TYCOON: A Decline in Esteem

Continued from Page 1

Hong Kong residents on economic, political and social issues.

Many tycoons are increasingly concerned about the risks of too much democracy, and they are not shy about raising their voices. The most startling sign of their discomfort came before Christmas. Then, in an uncharacteristic outburst, the most powerful of the tycoons, Li Ka-shing, said he had abandoned plans to invest \$1.3 billion in an unspecified business project because of the current political environment in Hong Kong the sanctity of contract law is under threat.

Mr. Li's swipe at contract law, many observers believe, may have grown out of criticism he has received from pro-democracy legislators over his company's decision to sue homeowners who have defaulted on purchase contracts as some of his housing developments. Mr. Li probably had several targets in mind when he made what was widely seen as a calculated statement, the analysts say.

"Prior to June 1989 there was a lot more deference to the various community leaders," Mr. Degolyer said. While the Tiananmen Square massacre that year brought more than a million people onto the streets of Hong Kong in protest, the invigorated sense of political awareness in the British colony in 1989 had been growing for several years, he said.

In spite of the protests of Mr. Li and his fellow tycoons, it is hard to dispute the notion that Hong Kong has a government that is extremely friendly to business. First, the authorities removed all public land from the market last year when prices were falling. Then, before they restored land sales to help developers boost their land holdings, they carried out an unprecedented \$15 billion intervention in the stock market in August in an effort to prop up real estate prices.

Even though Hong Kong was sinking into its worst recession in a generation and apartment prices were still among the highest in the world, some of the biggest beneficiaries of the intervention were stocks in companies controlled by some of the territory's wealthiest people. Shortly afterward, the government announced cuts to welfare payments.

For the tycoons, this was business as usual. Since last century, when the belated emergence of British opium traders helped to push Britain into the war that wrested Hong Kong away from China, British companies had grown accustomed to pushing the governments of Britain and then Hong Kong around.

Today, in one sense, it is only the names and faces that have changed. Business deals and government policy alike, tended to be made over glasses of port at the opulent Hong Kong Club, although many today prefer the retro-chic Shang-hai ambience of the China Club.

Instead of the "taipans" or bosses of the Jardine Matheson or Swire conglomerates exercising maximum influence, the movers are now property developers such as Mr. Li and the Kwok brothers, as well as some influential "princelings," the offspring of prominent mainland Chinese officials.

Although the Hong Kong business elite of today faces more vocal opposition, its members are if anything even better connected to those in power than the old British taipans. In the old days, a British executive in Hong Kong could hope for little influence in London if the Labour Party happened to be in power, but Hong Kong's tycoons today have excellent relations with China's long-ruling Communist Party.

Behind today's good relations with Beijing sits several hundred billion dollars, since the majority of foreign investment in China still comes from Hong Kong. Yet this relationship works the other way too: Unlike the rich men of Taiwan, who say publicly how cheap investments are in Thailand and Malaysia when compared with China, Hong Kong's tycoons have remained faithful in public to the notion that China is still a profitable place to invest.

The forum for public complaints against the tycoons is often Hong Kong's Legislative Council, which was fully elected for the first time in 1995. Until then, like the cabinet-like Executive Council, it included representatives of some of the largest business houses as well as the Hong Kong & Shanghai Banking Corp., traditionally Hong Kong's single most powerful institution.

Today, there are elections that only partly resemble those held in democratic countries. But even though Hong Kong has nothing like full democracy, it began to develop something it never had during the 150 years of British rule.

Sunny Lo, associate professor at the Department of Politics at the University of Hong Kong, said that with a vigorous free press and partial elections, Hong Kong has developed a working-class consciousness in the 1990s that has given rise to activists who "try to pinpoint the tycoons as targets of criticism."

## BUSH: Conservative and Moderate Republicans Join in Rally for Texas Governor

Continued from Page 1

tions of the immense popularity of Governor Bush. While seven presidential contenders traveled to California to make their case to hundreds of partisans, Mr. Bush kept to his past practice and stayed in Austin, Texas.

Even so, in dozens of random interviews, rank-and-file delegates, political professionals and state legislators said they intended to back Mr. Bush. Though many said they had never heard him speak in person, they spoke as if Mr. Bush's nomination was inevitable.

The frenzy has left Mr. Bush's rivals stunned, envious and, in some cases, deeply dispirited and feeling shut out of the competition a year before the actual voting begins. It has transformed the presidential nomination battle into a contest not of who is the best candidate

but who would be the best second choice.

Former Vice President Dan Quayle found himself being quizzed on national television about what he had to offer that Mr. Bush did not. Privately, advisers to some candidates said their best hope was that Mr. Bush would succumb to an as-yet-unknown scandal.

Former Governor Lamar Alexander of Tennessee has been trudging through Iowa and New Hampshire seeking the nomination for years but has only been endorsed by two governors.

Mr. Alexander contrasted his experience with that of Mr. Bush, whom he described as "off to a promising beginning."

Steve Forbes, the publishing magnate who is also running for the second time, likened the nomination over Mr. Bush to the case of General Colin Powell, former

chairman of the Joint Chiefs of Staff, who ultimately decided not to seek the Republican nomination in 1996.

"Part of it is being able to project onto somebody anything you want," Mr. Forbes said in an interview.

"You saw it with the Powell phenomenon, you saw it back in '72 with Muskie before he hit the campaign trail," Mr. Forbes said, referring to former Senator Edmund Muskie.

Short-lived or not, many Republican politicians said they had never seen such early rallying, and that it was all the more stunning because Mr. Bush was not an heir apparent like a vice president.

Asked why they were so enthusiastic, most Republicans cited pragmatic concerns, namely polls showing that Mr. Bush, overwhelmingly, is the early favorite for the nomination and could beat Vice President Al Gore in a general

election. These supporters say they are so eager to regain the White House that they concede that they do not know, and do not particularly care about, too many details of Mr. Bush's stewardship.

Ms. Boling, for instance, said she did not know the extent of Mr. Bush's opposition to abortion, but was confident that "at least he has not taken a position that's so offensive that it's unacceptable."

Both conservatives and moderates seem to have convinced themselves that Mr. Bush shares their views.

Bruce Thompson, a three-term California assemblyman who describes himself as one of the most conservative legislators in the state, said, "Listen, this is the next Ronald Reagan — there's no question in my mind. The main thing is the guy can win. We're a party out there just floating around."

## CHINA: Albright Talks Tough

Continued from Page 1

officials concerned with trying to soothe some of the troubled spots in the American-Chinese relationship, and in particular to find a way for China to join the World Trade Organization.

The Clinton administration, seeing China's membership in the organization as a tangible accomplishment that could move the relationship forward, is eager to try and close a deal on time for the visit to Washington in early April of the Chinese prime minister.

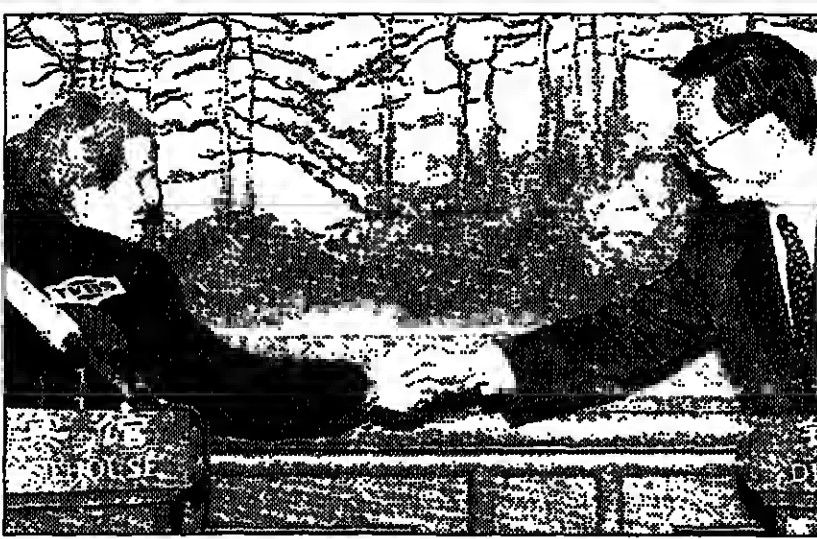
An administration official familiar with Washington's efforts to get China into the organization said Monday it appeared that Prime Minister Zhu was now "serious" about the talks and understood the positive elements for China membership. China has been concerned about an immediate opening of its markets at a time when huge state-owned enterprises are laying off millions of people and suffering huge losses.

From the Chinese point of view, the main complaint during Mrs. Albright's talks was about the administration's proposal for a theater missile defense system in Asia. The Chinese government has said that if such a system embraced Taiwan, its deployment would set off a new arms race and deeply harm Chinese-American relations.

Mrs. Albright countered, according to her spokesman, James Rubin, that the system, which is in the design stage, is intended to protect U.S. troops in the region from threats posed by ballistic missiles.

She told the Chinese, Mr. Rubin said, that if they improved relations with the Taiwanese and stopped the missile buildup along the coast facing Taiwan, then the enthusiasm in Washington for the missile defense system would probably wane.

A Pentagon study released recently portrayed a growing threat to Taiwan from a buildup of Chinese missiles across the straits from Taiwan.



Mrs. Albright and Mr. Tang ending their press briefing in show of amity.

## IRAQ: U.S. Jets Attack Air-Defense Sites

Continued from Page 1

■ Iraq Tries to Get Oil Flowing

Iraq could resume pumping oil in a few days through the pipeline to Turkey, an Iraqi oil executive said Monday. The Associated Press reported from Mosul, Iraq.

Iraq was considering provisional measures that could get the oil flowing soon at a reduced rate, the director-general of Iraq's Northern Oil Company, Talal Ashur, said.

Mr. Ashur spoke to reporters while conducting reporters on a tour of the pipeline's communications center and adjoining power station that Iraq says U.S. aircraft attacked Sunday. One person was killed in the attack Sunday and two were wounded, Iraqi officials said.

In Turkey, an official for the state company that operates the Turkish section of the pipeline confirmed that the flow had stopped. The official, speaking on condition of anonymity, said he was in the dark as to the cause of the stoppage.

The 1,000-kilometer (625-mile) line is the only functioning pipeline in Iraq. It is also one of only two outlets for oil exports. The other is the Gulf terminal of Mina al Bakr.

The strike has "practically halted the export of crude oil" via Turkey, Mr. Ashur told reporters.

Scraps of metal and communications antennas lined the site. There were small craters in the ground, and the power station was blackened by fire.

Reporters did not see any traces of U.S. weapons. The officials guarding the site did not produce any shrapnel from a bomb or remains of a missile.

Asked if the communications center was ever used for military purposes, Mr. Ashur said: "Never. You can verify this from the Turkish side."

Mr. Ashur said that to completely restore the communications center and power station, "we need four weeks" and foreign assistance. But he was looking at a number of "compromise or temporary solutions" to get a reduced amount of oil flowing "in a few days," he said.

## INDONESIA: Island Spirals Into Chaos

Continued from Page 1

times — its echo has resounded in the Indonesian capital.

On Monday, the chief of the armed forces announced the creation of a special unit to respond to riots and social unrest. The unit, known as the Anti-Massive Riot Troops, will be sent to wherever violence erupts in the country.

From Medan, in northern Sumatra, to East Timor and Irian Jaya, "We have to handle this problem," said the armed forces chief, General Wiranto, at a ceremony in Jakarta to commission the unit. "If not, it could create disintegration and instability on the nation."

Despite General Wiranto's tough words, some analysts said the creation of a special unit to handle unrest might reflect a recognition on the part of the army that it has mishandled previous demonstrations. In November, Indonesian troops opened fire on a student protest in Jakarta, killing 16 people.

About 200 students demonstrated Monday in Jakarta, calling on the government to accelerate its investigation of former President Suharto. But the rally was peaceful and the students traveled to the second demonstration on a bus decked with banners, as riot police watched casually.

Although the students have resumed almost daily demonstrations against both Mr. Suharto and the current president, B.J. Habibie, Jakarta no longer feels like a city on the edge of calamitous disorder. But with the Indonesian economy still in a tailspin and the country in a political fever as the June elections approach, people in the capital warn that even the most routine demonstration could spiral out of control.

As the riots of last May demonstrated, social unrest can also spread from one part of Indonesia to another. Officials in Jakarta are watching the mounting unrest in Ambon carefully to make sure it does not spread elsewhere.

On Sunday, one of Indonesia's leading opposition leaders, Megawati Sukarnoputri, offered to lead a delegation

to Ambon to try to restore peace there.

Even if the violence remains localized, some analysts say they fear that it is sending a bad message about Indonesia at a time when foreign companies and investors have just begun to venture back into this strife-torn country.

"It's just a reminder to everyone that there are a lot of potential problems in this country," said James Castle, head of the Castle Group, a consulting firm in Jakarta. "We have to be aware that we're in a very delicate situation."

Political leaders seem acutely aware of the problem. On Saturday, the government was supposed to announce the closing of as many as 40 banks, which would have resulted in the layoffs of at least 20,000 people. But at the last minute, the government delayed the announcement for two weeks. Officials said they needed more time to decide which banks to close. But analysts said the prospect of thousands of newly jobless people hitting the streets had played a part in the decision to put off the announcement.

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## HEALTH: Infectious Microbes Suspected

Continued from Page 1

are turning attention to coronary artery disease, which is caused by a progressive buildup of fatty deposits inside vessels that feed the heart. Scientists have long known that diabetes, high blood pressure, tobacco use and a family history of the disease increase a person's odds of artery disease and the risk of a subsequent heart attack or stroke. But those factors account for only about half the incidence.

In 1997, Boston researchers showed that men with higher levels of a certain protein circulating in their blood over a period of years had an increased risk of eventually suffering a heart attack or stroke. The protein is a well-known sign of inflammation, which can indicate a bacterial infection.

Separately, Joseph Muhlestein of the

LDS Hospital in Salt Lake City and his colleagues discovered that a peculiar bacterium, Chlamydia pneumoniae, often can be found inside blood vessel cells of people with heart disease — but not generally in the cells of healthy people.

C. pneumoniae — a close cousin of Chlamydia, which causes a common sexually transmitted disease — is best known as a cause of pneumonia and bronchitis. It is unlike most other bacteria because it lives not on cells but inside them, much as a virus does.

It is possible that the microbes are an innocent bystander, a bacterium that feels at home in arteries damaged by years of fat consumption and a lack of exercise. But rabbits on fatty diets develop hardening of the arteries much faster when they are infected with C. pneumoniae, suggesting that the microbes actively contribute to the disease.

150 مائة الف



EUROPE

# A Fierce Struggle for Water Drives All the Players in the Kurdish Conflict

By Stephen Kinzer  
New York Times Service

ISTANBUL — The recent capture of the Kurdish guerrilla leader Abdullah Ocalan has focused new attention on the war he has waged against the Turkish Army for 14 years.

In recruiting fighters and supporters, Mr. Ocalan has fed on the resentment of many Kurds who feel over what they see as the government's discrimination against them. But he could never have built such a potent force without a lot of help from other countries.

There are many reasons Mr. Ocalan found foreign supporters for his bloody rebellion against Turkish rule, and many reasons that Ankara has resisted his rebellion so fiercely. Some are found in history, others in psychology, and still others in geopolitics.

Lurking behind them all, however, is water.

For more than a decade until last October, Mr. Ocalan lived semiclandestinely in Syria, and the Syrian government gave him money, arms and politi-

cal cover. Iraq also helped him, allowing him to build bases along the Iraqi-Turkish border.

Neither Syria nor Iraq were embracing his cause out of any love for Kurds; on the contrary, governments in both countries have fiercely repressed their Kurdish populations.

Syria and Iraq want water from rivers that spring from Turkish soil. Turkey has given them what it considers ample amounts of water but rejects what it calls their "unacceptable claims."

They have supported Mr. Ocalan's guerrillas as a way of applying pressure on Turkey to give them more water.

The Tigris and Euphrates rivers created the "Fertile Crescent" where some of humanity's first civilizations emerged. Today, they are immensely important resources, politically as well as geographically.

Through a system of dams in its southeastern provinces, Turkey controls the flow of the rivers and is determined not to give up its control. That is one important reason that Turkish leaders have so resolutely refused to grant any au-

tonomy to the Kurdish region, which straddles both rivers.

Few if any countries understand the growing importance of water as fully as Turkey does. In one of the world's largest public-works undertakings, Turkey is spending \$32 billion on the Southeast Anatolia Project, a complex of 22 dams and 19 hydroelectric plants spread over a region about the size of Austria.

Its centerpiece, the Ataturk Dam on the Euphrates River, has been completed. In the reservoir that has built up behind the dam, sailing and swimming competitions are being held on a spot where for centuries there was little more than desert.

When the project is completed, perhaps in the next decade, it is expected to increase the amount of irrigated land in Turkey by 40 percent and provide one-fourth of the country's electric power.

Planners hope this can improve the standard of living of 6 million of Turkey's poorest people, most of them Kurds, and thus undercut the appeal of revolutionary separatism.

It will also deprive Syria and Iraq of

resources those countries believe they need — resources that Turkey fears might ultimately be used in anti-Turkish causes.

The region of Turkey where Kurds predominate is more or less the same region covered by the Southeast Anatolia Project. Giving that region autonomy by placing it under Kurdish self-rule could weaken the central government's control over the water resource that it recognizes as a keystone of its future power.

There are other ways Turkish leaders are using their water as a tool of foreign as well as domestic policy.

Among their most ambitious new projects is one to build a 50-mile (80-kilometer) undersea pipeline to carry water from Turkey to the parched Turkish enclave of Northern Cyprus.

The pipeline will carry more water than Northern Cyprus can use, and foreign mediators are hoping the excess water can be sold to the ethnic Greek republic on the southern part of the island as a way of promoting peace.

It is no accident that President Suleyman Demirel of Turkey is a water

engineer by profession and entered public life as director of the State Waterworks Administration. His background and that of his classmate in engineering school, the late President Turgut Ozal, have done much to make Turkey so water-conscious.

Both men vigorously supported the Southeast Anatolia Project in the 1980s, even though Western countries, including the United States, refused to provide loans or credits for it because they did not want to alienate Arab countries.

One of the most important developments in the Middle East in the past 20 years has been the emergence of a strong partnership between Turkey and Israel. Both countries have much to gain from it. Israel is thirsting for water, and Turkey is overflowing with it. Studies are now under way to see whether tankers, pipelines or other means can be used to send Turkey's water to its new Israeli friends.

Not coincidentally, the basis for the Turkey-Israel partnership was laid when Mr. Demirel headed the Turkish government and another water engineer, Yitzhak Rabin, was in power in Israel.

"If we solve every other problem in the Middle East but do not satisfactorily resolve the water problem, our region will explode," Mr. Rabin once said.

Other Middle Eastern leaders have agreed. The late King Hussein of Jordan asserted that conflicts over water "could drive nations of the region to war."

Countries that control water are likely to be the big winners of the future. Turkey is among them. Its policies have for years been shaped by a desire to use water to achieve political aims, and the policies are beginning to pay off.

Water has been used as a means of pressure, for example the Syrians sponsoring Kurdish separatism because they want more water," said Ishak Alaton, a Turkish businessman whose company has won the contract to build the water pipeline to Cyprus and is conducting a feasibility study for a pipeline to Israel.

It can also be used for peace, as we are hoping in Cyprus," Mr. Alaton said.

"You can't overstate its importance. I firmly believe that just as the 20th century was the century of oil, the 21st century will be the century of water."

## In Oil Deal With Iran, French Defy U.S. Law

### Consortium Plans to Develop Major Field

By Craig R. Whitney  
New York Times Service

PARIS — Thumbing their noses at American opposition to investments in Iran, a consortium of French, Italian and Iranian oil companies announced Monday that they had signed a \$998-million, 10-year contract to redevelop a giant crude oil field there.

Elf Petroleum Iran, a subsidiary of the privately-owned French oil company Elf Aquitaine SA, will be the lead partner in the project, which also involves a subsidiary of ENI SpA of Italy and the National Iranian Oil Co.

A spokesman for Elf Aquitaine, Thomas Saunders, said that the company expected no retribution from the United States under the Iran-Libya Sanctions Act, which threatens sanctions against any country that invests more than \$20 million in either of those countries.

Under an agreement reached last May between the United States and the European Union, the Clinton administration agreed not to apply sanctions against another French oil company, Total SA, which had gone ahead with a \$2-billion gas exploration contract in Iran in 1997 in defiance of the American law.

"We expect the same treatment," Mr. Saunders said Monday.

France and all its EU partners have denounced the U.S. law as unacceptable interference with their own sovereign right to let European companies make investments wherever they wish, as long as international agreements permit.

Washington has imposed sanctions against Iran, but Europe, which has gone along with UN sanctions against Iraq, is trying to improve relations with Iran.

Elf Aquitaine said the contract calls for developing the Dorood oil field off Kharg Island in the Gulf, increasing reserves from 600 million barrels to 1.5 billion barrels and reimbursing the consortium with crude oil from the field over a ten-year period.

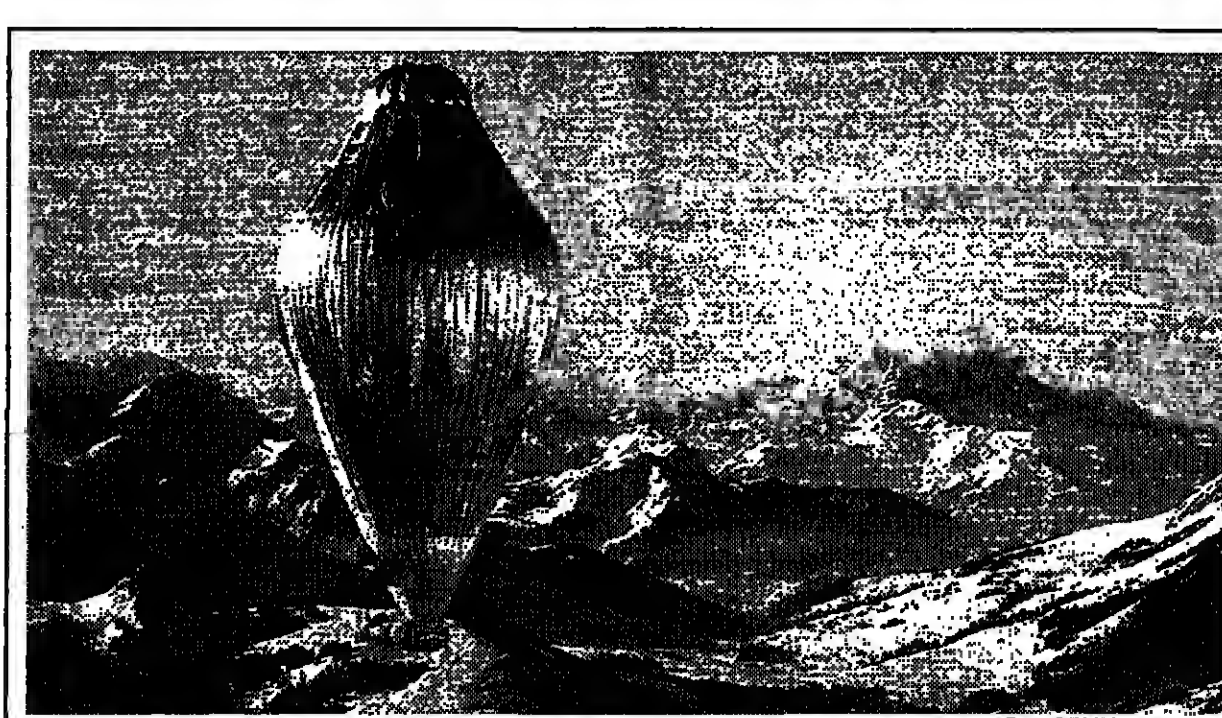
Elf Petroleum Iran will have a 55 percent share in the consortium and Agip Dorood BV, the Italian subsidiary, will have 45 percent.

French oil companies have been eager to get back into Iran, executives say, because of its huge reserves.

They would also like to do business with Iraq, which has oil and petroleum reserves on the scale of Saudi Arabia's. French officials say that American companies will be just as eager to get back into Iraq, once sanctions are lifted.

France has proposed lifting the oil embargo against Iraq if President Saddam Hussein would agree to a new international monitoring system to ensure that his regime cannot reacquire nuclear, biological and chemical weapons of mass destruction.

Elf's decision to go ahead with an investment in Iran was not unexpected. Company officials had made little secret of the fact that they had been negotiating with Iran — and that they had little fear of American sanctions because the Clinton administration had decided not to proceed against Total.



The Breitling Orbiter-3 flying over the Alps on Monday with Bertrand Picard and Brian Jones on board.

## Swiss-British Balloon Team Sets Off in Pursuit of Record and Rivals

Agence France-Presse

CHATEAU D'OEUX, Switzerland — The Breitling Orbiter-3 balloon team took off Monday from the Swiss Alps for a third attempt to circumnavigate the globe.

Bertrand Picard of Switzerland and Brian Jones of Britain set off in their silver helium balloon from the ski resort of Chateau d'Oeux after three months of waiting for the right weather conditions.

The pair are chasing the Britons Andy Elson and Colin Prescott in the Cable and Wireless balloon, which took off from Spain on Feb. 17 and was flying over the Bay of Bengal on Monday.

The Britons have already broken the 233-hour and 55-minute record for the longest flight, set by Mr. Picard and Mr. Elson aboard the Breitling Orbiter II in 1998.

The Picard-Jones team has an advantage because it is permitted to travel through Chinese air space, organizers said, which could save the pair up to a week's flying time. Around-the-world balloonists try to catch the jet streams over China to take them across the Pacific toward North America.

The Breitling Orbiter team intends to pass over Mount Blanc toward the Cote d'Azur in southern France, then over Morocco and Mauritania, where it will attempt to catch the jet streams.

The duo then intends to fly across Africa to Oman, from where, winds permitting, they could reach Japan or southern China.

In 1998, China had refused to allow the Breitling team to enter its airspace until the last minute, effectively scuttling that bid, and only gave new authorization in January under stringent conditions.

## Turkey Plans Development For Battered Kurdish Area

The Associated Press

ANKARA — Prime Minister Bulent Ecevit on Monday unveiled details of a new \$90 million development plan for the country's war-battered southeastern provinces.

He said it was time to heal wounds and improve living conditions in the Kurdish-dominated region.

Since the Feb. 15 capture of the Kurdish rebel leader Abdullah Ocalan, supporters have waged a 15-year battle for Kurdish autonomy, the government has stressed the need for development of the southeast.

This is by far the country's poorest region.

The plan is expected to take effect in the next few days.

It calls for low-interest, long-term loans, cheap energy and tax exemptions to encourage investment in 26 eastern and southeastern provinces.

For years, the government has been blaming Mr. Ocalan's rebel army, the Kurdistan Workers Party, for the poverty in the region.

Mr. Ecevit repeated the accusation Monday.

He told reporters that separatist rebels had "sabotaged every service, every investment" in the region.

Kurdish activists say desperate conditions helped spur their fight for autonomy.

Under the plan, the government aims to spend 10 trillion Turkish lira (\$28.5 million) this year and 20 trillion lira next year on economic development in the region.

Extra funds for education, health and vocational training are included in the package.

Also included are grants to encourage hundreds of thousands of displaced Kurdish villagers to return to their homes.

Both Turkish troops and Workers Party guerrillas have emptied whole communities suspected of providing support to the other side.

Mr. Ecevit said more than 1,000 families were expected to return to their villages this year.

Meanwhile, more violent incidents attributed to supporters of Mr. Ocalan, were reported.

The Anatolian News Agency said 17 people were hurt in a grenade attack Sunday night at a coffeehouse in Istanbul.

In another attack, seven parked and empty Istanbul city buses were fire-bombed.

Mr. Ocalan was captured by Turkish agents in Kenya last month.

He remains in prison on treason charges and could face the death penalty if convicted.

No trial date has been set.

## U.S. Envoy Expects Kosovars To Sign an Autonomy Accord

Compiled by Our Staff From Dispatches

PRISTINA, Serbia — Kosovo's ethnic Albanians are likely to sign up to an internationally sponsored autonomy deal by the middle of March, the U.S. special envoy for Kosovo, Christopher Hill, said in Pristina on Monday.

"I'm pretty convinced that this deal is going to stick," he said. "And I hope the Serbs will come to understand that it's in their interest to sign."

The "deal" is an 83-page document negotiated over 17 days at a peace conference in Rambouillet, France, where Mr. Hill was the lead mediator.

Its political provisions give Kosovo, with its 90 percent ethnic Albanian majority, substantial autonomy.

The implementation provisions would enable about 30,000 NATO troops and substantial numbers of international civilian officials into Kosovo to oversee peaceful political change.

Ethnic Albanian delegates at Rambouillet asked for two weeks to consult with various constituencies in Kosovo before signing. The Serbian side ruled out any NATO presence in Kosovo.

Earlier, ethnic Albanian rebels in Kosovo acknowledged seizing and killing a Serbian civilian, one of two Serbs abducted Saturday.

After intervention by peace monitors, the rebels released the other Serb.

Two of the observers who have been trying to oversee the cease-fire in Kosovo were roughed up by Serbs in an outburst of anti-Western sentiment.

Seeking to keep up momentum of the Kosovo peace talks held outside Paris, Mr. Hill, met with the ethnic Albanian political leaders.

Although the talks ended inconclusively, ethnic Albanian representatives have tentatively agreed to sign the agreement when the talks resume on March 15.

In the year of fighting, more than 2,000 people have died and hundreds of thousands of others, mostly Albanians, have been displaced as ethnic Albanians battled for independence from Serbia.

In the southwest of Kosovo, tensions in Oranovac were eased when monitors of the Organization for Security and Cooperation in Europe defused a standoff between Serbs and rebels by arranging the release of the Serbian civilian being held captive.

The two Serbs were seized by the rebels as hostages and, after initial denials, the Kosovo Liberation Army acknowledged that its members had shot and killed one of them, the security or-

ganization said. The freeing of one of the hostages appeared to lessen tensions in the immediate region somewhat. Still, Serbian troops were continuing a buildup, according to a spokeswoman for the security organization, Beatrice Lacoste.

On Monday, two of the European group's monitors, a Dane and a British citizen, were beaten in the southern town of Prizren by a group of Serbs, the spokeswoman said. (Reuters, AP)

**Kosovars Fleeing to Macedonia**

More than 2,000 people fled their villages during heavy fighting in southern Kosovo on Sunday and swamped a major border post in a desperate effort to cross to safety in neighboring Macedonia, The New York Times reported from Kosovo.

Yugoslav Army artillery and anti-aircraft guns could be heard battering the mountainous region west of the border post of Djeneral Jankovic.

## Paris Warning Delays EU Farm Negotiations

BRUSSELS — Germany on Monday postponed talks on revamping European Union farm spending after France warned it would not negotiate unless the most radical reform proposals were dropped.

EU officials said President Jacques Chirac of France told them it made no sense for EU farm ministers to meet Tuesday if they were only going to discuss again the issues on the table during five-days of failed talks last week.

Germany, the current EU president, postponed the talks until Thursday to allow more time for nations to consider their positions.

## Activist Is Charged In Auschwitz Case

WARSAW — Prosecutors in southern Poland filed an indictment Monday

against a conservative Roman Catholic activist who rallied others to erect crosses near the former Nazi concentration camp at Auschwitz.

The indictment filed in the Oswiecim court charges Kazimierz Switon with inciting hatred against Jews and with insulting Jews and Germans. The charges carry a maximum prison sentence of three years. (AP)

**Death Penalty Blocks Turkey, German Says**

MILAN — Turkey must abolish the death penalty if it expects to join the European Union, the German defense minister said Monday at the opening of a congress of European socialists.

Rudolf Scharping, speaking as president of the Party of European Socialists, also called for a fair trial for the Kurdish rebel leader Abdullah Ocalan.

Mr. Ocalan, captured by Turkish agents last month, risks the death penalty if convicted of treason. (AP)

## New Report Criticizes U.K. Police on Racism

LONDON — Days after an official report castigated London police for racism in the bungled investigation of the murder of a black youth, a new government study has criticized police forces across Britain for failing to eradicate racial prejudice in their ranks.

The Inspectorate of Constabulary said Monday that a number of forces, including the London Metropolitan Police, had some good anti-racism policies but did not apply them consistently. (AP)

## For the Record

Foreign Minister Abel Mantas of Spain said Monday that Madrid would step up pressure on the British colony of Gibraltar, which he accused of harboring drug traffickers and murderers. He said Spain would enforce "legal and necessary measures." (AFP)

## Labour's War with British Media Takes a Turn for the Worse

By Sarah Lyall  
New York Times Service

LONDON — Are British television and radio interviewers too rude? Are British newspapers too obsessed with trivia? Are reporters irresponsible scandal-mongers who overlook important policy questions?

Yes, would be the answer if you asked the Labour government, which has had an extraordinarily rocky relationship with the news media here since it came to power on a tidal wave of good will nearly two years ago.

In Britain, where there is little sense of open government or of the public's right to know, the government has had little compunction about openly attacking the news media when it does not like the way it is being covered.

Relations between the two sides took a turn for the worse recently when The Sunday Telegraph published an article about a leaked government-sponsored report on racism and the police. Furious that his carefully laid plans to release the report in its own time had been so badly thwarted, Home Secretary Jack Straw persuaded a judge to issue an injunction forcing the newspaper — which had already printed and shipped off some 250,000 early edition copies

— to remove the article from later editions. Though Mr. Straw was forced, embarrassingly, to back down the next day, the move stirred up the ire of the news media yet again.

Mr. Straw's reaction was not unusual in a country where there is no American-style tradition of freedom of the press, and where the judiciary is temperamentally inclined to support the government in disputes with the news media. And it was not a surprise, said reporters and editors, who have become used to the Labour government's efforts to manage the news and to its reluctance to pursue media-friendly legislation it once supported, such as a freedom of information bill.

"They are an extremely controlling bunch," said Alan Rusbridger, the editor of The Guardian, a liberal-leaning newspaper. "They are adept at manipulating the press, so when something like this happens, their reaction is to suppress and control. They went right over the top."

How did things get to this point?

Elected by an overwhelming majority in 1997, the Labour Party soon seemed to squander much of its built-in advantage with the news media, pursuing a series of highly public disputes. Officials were particularly irked by

what they saw as rough treatment from combative BBC interviewers. In 1997, for instance, the Labour Party protested after Harriet Harman, then the social security secretary, underwent a particularly rough interview on the "Today" radio program.

In a discussion of government proposals to cut welfare benefits to single mothers, John Humphrys, the program's take-no-prisoners interviewer, asked the same question 13 times in an increasingly irritated way. Afterward, the party's chief media spokesman, David Hill, complained bitterly about "the John Humphrys problem" and threatened to withdraw the party's co-operation from "Today."

"John Humphrys interrupted so much that she was never permitted to develop a single answer," Mr. Hill said. The BBC responded that one of Ms. Harman's answers had, in fact, lasted a full minute, and argued that Mr. Humphrys was simply seeking a direct answer to a simple question about benefit cuts.

Jon Barton, the editor of "Today," said: "I thought the encounter demonstrated John's characteristic strengths."

The fight took another turn last summer, when Alastair Campbell, the chief

government spokesman, attacked the notion that Labour officials seem reluctant to submit to radio and television interviews.

Most government officials, Mr. Campbell said, hate the way they are treated by BBC interviewers such as Jeremy Paxman, one of the hosts of "Newsnight," a late-night television show.

Mr. Paxman, who has a biting intellect and a snarling confidence that many feel borders on arrogance, is known for his ability to "kebab" guests when they dodge or waffle.

Mr. Campbell said in a letter to The Times of London: "As one minister said to me recently when I tried to get him to appear on the program, 'What is the point of traipsing out late at night so that Jeremy can try to persuade the public that I'm actually some kind of criminal?'"

But many journalists say that in the absence of a strong Conservative Party it is up to the news media to ask the tough questions. Prime Minister Tony Blair holds an overwhelming majority in Parliament and is subject to little in the way of serious opposition.

"There are two sides to every story, and no one has a monopoly on the truth," Mr. Paxman said. "There are

those in government who cannot see the need to explain themselves to the public. You can see their point. 'What's in it for me?' as one minister put it to me when I suggested he might like to explain a policy."

Last month, Mr. Campbell went on the attack again. In a speech in London, he denounced what he called the news media's tendency to report on scandal, gossip, personality clashes, and the cost of politicians' travel at the expense of such issues as jobs, transportation policy and education.

Because of their disillusionment at the failure of the BBC to let democratic politicians speak for themselves, Mr. Campbell said, government officials were more likely to appear on "soft" interview shows and to bypass the usual media outlets for things like regional newspapers and the women's media.

The mainstream news media were not amused.

Mr. Humphrys, the "Today" host, said: "Stop trying to tell us how to do our jobs."

Andrew Rawnsley, a political columnist for The Observer of London, said that in Mr. Campbell's dream world, there would be one television channel, one newspaper and one radio station — all run by the government.



# Breaking Up Family Ties: Order Changes in Italy

By Suzy Menkes  
International Herald Tribune

MILAN — The era of La Famiglia is drawing to a close in Italian fashion and nothing on the runways — not even Lenny Kravitz rocking the models' shocking pink socks off at the Versus show — can compete with the offstage drama.

The backdrop to the Italian fall-winter 2000 season, which runs through this week, is the shift to corporate, global business by companies that were founded as family affairs. Events are dominated by the battle for the heart and shoe soles of Gucci. But whatever the outcome of the fierce standoff between Bernard Arnault, president of the French luxury-goods group LVMH Moët Hennessy Louis Vuitton and Domenico de Sole, Gucci's president, this is not an isolated incident.

Milan's big-name houses are in the same situation as the French 15 years ago — before Arnault initiated corporate couture. Other recent maneuvers include the buyout of Valentino by Holding di Partecipazioni Industriali (HdP); and Giorgio Armani's decision to switch his women's wear manufacturing after 19 years from GFT (controlled by HdP) to his own Antinea company. Armani has also been "chatting" with Arnault, as has Prada's Patrizio Bertelli, whose talk of "exploring synergies" with LVMH explains what all this is about. In the modern world, to be one design house in the face of juggernaut corporate groups is to be at risk of being flattened.

Santo Versace, president of his late brother's fashion house and President of the Camera Nazionale della Moda Italiana, thinks that family businesses could continue and expand — if the Italian financial organizations would pump money into them.

"There are fantastic family companies — think of Hermes," Versace said at his sister Donatella's rollicking, rock 'n' roll Versus show.

"In Italy we have Benetton, Zegna, Ferragamo, Max Mara — they are all family companies. But you see what happened at Valentino. Financial investment is so important to growth. We need Italian banks to take fashion more seriously."

But who would invest in a business



Asymmetric dress and "chaps" from Versus.

New-age nylon sprite dress from GFF.



Cape and knife-pleat skirt from Philosophy.

Rosebud blouse and miniskirt from D&G.



when its proprietor is reaching retirement age? That is the uncomfortable truth about most Italian designers, who have not yet turned the name into a brand and still tend to search for a successor within the family — as the Missonis have handed over to daughter Angela.

An infusion of overseas talent into existing houses has been one way of making up for the paucity of design skill at home. The 1990s have seen the arrival of designers, mostly American, heading the studios of commercial and industrial fashion houses. A new arrival this season is Josephus Thimister at Genny.

To appeal to a new generation, some houses have expanded vertically — hence the phenomenon of the secondary or lower-priced lines that have flooded the runways in the opening days of the Milan fall season.

Sometimes these shows work fine. Donatella Versace even looked more comfortable with her high-energy,

snappy Versus show than with the signature line — and certainly than with the Atelier line she shows at Paris couture. With its strong colors and computer-manipulated prints illuminating reflective, semi-sheer or perforated fabrics, Versace kept a sense of body movement while producing some intriguing silhouettes.

HER invention was the "chaps" skirt. It sounds weird — two wide bits of fabric flapping like twin aprons over skinnier pants. But it worked as an interpretation of fashion's current asymmetry and origami. Snug strapless sweaters with turtlenecks and ruffs, as cute accessories at ock or hips, were strong items in this lively show lighted with shocking pink and electric blue.

If they allow kids out of the nursery and into the clubs, D&G are going to clean up. The designers Stefano Gab-

bana and Domenico Dolce described "like playing with dolls" their pert collection, with leggy models in pink and lime-green hose, vivid duffel coats, miniskirts scattered with butterflies and rosebud-patterned blouses. Barbie came to mind — especially when a jeans skirt or jacket was cut upside down as though painstakingly nipped by some stubborn child.

Some of the tricks had been picked up from other runways (the nursery prints from Marni and the gaudy footwear mix of snakeskin and leopard-print from Prada's Miu Miu line.) But D&G has its own spin, showing just enough ruffiness to flesh below tiny sweaters and above under-pants patterned with teddy bears to make the collection both sexy and cute.

What is the dividing line between Alberta Ferretti's signature line and Philosophy, which she showed Sunday? They both seem to have a feminine feel- ing in their graceful shapes and attention

to needlework details, from smocked panels to tiny tucks.

To that, this season Ferretti added strong color, mixing yellow and purple or orange and green for tops and skirts in lush velvet or light felt, with the feet encased in flat fur slippers. The other strength was in the tiny details on simple pieces: minuscule beaded flowers at the neckline; letters embroidered on a hem; tucks or vertical silver lines on dresses. It made for a pretty show.

"Like circles drawn on Japanese rice paper — I wanted something poetic and fresh," Gianfranco Ferre said, as he took his bow alongside white-clad sprites cavorting at the finale of his GFF show.

Japanese it was, in fashion spirit, what with leather obis strapped around long dark coats, and the models, hair spiked with bobby pins, exuding intellectual angst. The collection then switched from shrouds to sheer, as nylon dresses sported combat pockets and a mesh skirt had

a stiff pony-kin hemline. Apart from geometric ribbed knits and full-sleeved blouse ballooning from a black manic, these pieces seemed to have no coherence with Ferre's flamboyant and dressy main line. It is presumably an attempt to expand the brand by appealing to a new, younger customer — but she probably has her own ideas on what is modern and cool.

Anna Molinari has spun off her signature line to her daughter, but she gamely sent out her own Blumarine collection for the eternal sex kitten. She wears fluffy, fur-trimmed sweaters and lacy dresses, all decorated to within an inch of their fashion life with embroidery, beading and feathers.

Molinari even added rhinestones to denim. She describes her theme as sexy femininity, but smug-eyed lolitas tottering in bobby socks on high heels suggested a trashy chic that is a passé trend.

# London Designers Revive the Spirit of Arts and Crafts

By Suzy Menkes  
International Herald Tribune

LONDON — Like the goat stinging the proverbial elephant, British fashion can still make its presence felt among international megabrandos. The London fashion season, squeezed between the fall shows in New York and Milan, even proved that small is beautiful. The focus on workmanship, for delicate embroidery or inventive knitting, suggests that British designers are creating an arts and crafts revival to echo that of 100 years ago.

Significantly, Alexander McQueen, whose powerful winter wonderland show dominated the week, says that he is inspired by the turn-of-the-century period when artistic folk faced off against the industrial machine.

Yet British designers are no longer mired in nostalgia for the past. There were no costume dramas on the runways. Instead, eclectic elements were mixed to create the quirky elegance of "Bohemian chic."

A second stand-out show came from Hussein Chalayan, whose take is clean, geometric and resolutely modern — yet also gentle and feminine in its use of rounded shapes among the sharp angles. A dress would be scooped to bare the back or rise at the hem to show tissue-light layers of lining. That counterbalanced the linear cuts, where one lapel would make a precise, asymmetric statement on sleek tailoring. The geometric mood was heightened by the set: flat boards that were hoisted into walls to create the catwalk.

When Chalayan sent out dresses with padded car headrests as collars, again playing round against straight, there was a sharp intake of breath from the audience — because Helmut Lang had shown a similar look in New York. From two independent, forward-looking designers explore the same territory, it suggests a collective millennium consciousness propelling fashion fast forward.

"Glomad" was the title Matthew Williamson gave to his show of well-executed pieces where naïve American feathers dangled from sweaters. Chinese patterns appeared on a brocade coat, beads decorated a rough hessian top and a panorama of Bethlehem made a border print on a dress.

How does Williamson attract a stellar front row, including

a tiara-clad Jade Jagger? Using simple shapes, he captures in light fabrics and light-handed embellishment the spirit of the flea market — and the sweet bird of youth.

The husband-and-wife design team of Suzanne Clemons and Ignacio Ribeiro withdrew to an intimate setting, the better to display a three-dimensional flower appliqué on a black skirt, airy layers to velvet evening skirts and the plays on embroidered plaid.

Like so much of modern fashion, this is a collection of eclectic pieces, but the keystone is Clemons Ribeiro's signature striped cashmere sweaters — now even being made as knitwear for ultra-sophisticated newborn babies.

Paul Smith, after a four-year struggle, had a hit with a collection that captured the wit and whimsy of his menswear. The faded tea-room gentility of a London hotel, with shabby chintz and oak stools, made the perfect setting for tweed suits in juicy colors, schoolgirl gym slips, funky fair-isle knits and rosebud nursery prints.

With most designers ignoring England's country roots, Smith's sly take on jodhpurs as cropped pants and his shearing vests in sweet colors looked fresh. You want something more urban? Then take a 1920s chemise remade for modern evenings or a raincoat printed with a map of London.

Snow seems to be icy cool this season. Like McQueen, the knitwear designer Julien Macdonald filled his runway with the white stuff. The designer made his collection less wacky and more wearable, but he never got the balance quite right between the commercial sweater dresses with fluffy textures and the weird and wonderful creations made out of silicon, aluminum and plastic flex.

Jasper Conran has morphed into a classic designer whose sculpted tailoring in felted fabrics fills a niche in British fashion. Using a palette of black, cream and camel, Conran made the jumper dress, the tunic top and the over-the-knee skirt into a user-friendly modern uniform.

The trends of the London season? Color — especially tones of pink and splashes of green; texture — fluffy knits, felted blanket wools for ponchos and fringed skirts; details — especially embroidery, cutwork, feathers and fringing. New looks included wider, ballerina-length skirts and dropped waists for dresses and coats.



Julien Macdonald's fluffy angora sweater dress with jet-beaded cuffs.



Above, Matthew Williamson's star-appliquéd chiffon dress; below, his knit top and beaded skirt.



Hussein Chalayan's linear dress with "headrest" collar.



Clements Ribeiro's sweater set with layered patterned skirt.



Paul Smith's fair-isle cardigan, rosebud shirt and cropped pants.

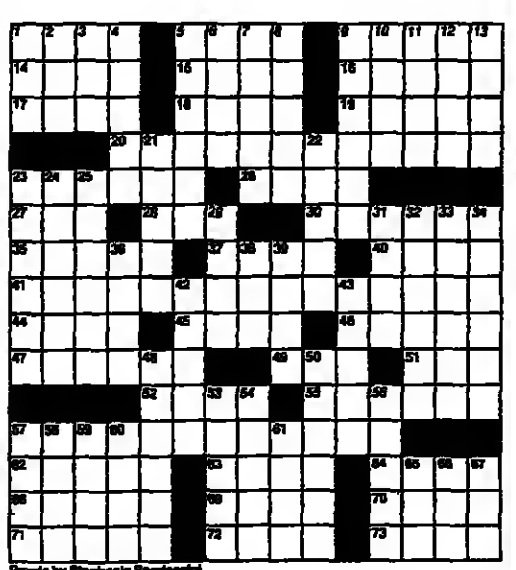
## CROSSWORD

### ACROSS

- 1 Parachute —
- 2 "Animal House" party wear
- 3 I'm it up
- 4 On my voyage, my type
- 5 "I'll be home for Christmas" (1945 movie lyric)
- 6 Procopio's capital
- 7 Have on
- 8 Sure
- 9 Ready for anything
- 10 Sage advice, 4 letters

### DOWN

- 11 Follow the rules
- 12 Starch source
- 13 "Brute?"
- 14 Seem
- 15 Nouveau
- 16 Ray-Bans, a.g.
- 17 The dawn
- 18 Kind of cord
- 19 Behold, in old Rome
- 20 European
- 21 "Ask, ask"
- 22 Turn out
- 23 Actor Joseph of "Citizen Kane"
- 24 Songstress James
- 25 Prefix with pressure
- 26 Where movies are made
- 27 Togetherness
- 28 Go under for the third time
- 29 Gilbert and Sullivan emperor
- 30 Digressions
- 31 Bordered
- 32 A thousand, in France
- 33 Pharaoh's land
- 34 Police sting
- 35 Get up
- 36 Beasts of burden



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### Solution to Puzzle of March 1

C	A	M	P	S	A	D	I	S	O	P	A
P	L	E	A	T	S	H	O	R	O	P	E
R	E	N	T	A	S	O	S	A	L	E	S
C	U	T	T	O	T	H	E	Q	U	I	C
V	I	D	E	O	I	S	I	S	I	S	I
A	B	S	T	A	R	E	S	C	A	T	R
A	L	I	A	M	A	I	R	E	S		
A	M	E	R	I	C	A	N	E	X	P	R
S	E	D	A	N	O	N	A	E	A	S	E
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ASIA/PACIFIC

# Shaky Pakistan Leans On Its Military

## Democracy Faces the Test as Prime Minister Centralizes Power

By Kenneth J. Cooper  
Washington Post Service

KARACHI, Pakistan — A decade after democracy was restored in Pakistan, Prime Minister Nawaz Sharif is relying ever more heavily on the army to hold the divided country together and to perform basic tasks, such as collecting unpaid electricity bills, building roads and fighting crime.

For many Pakistanis who remember the dreaded years of military dictatorship, which lasted for about half the nation's history, the current state of affairs represents a troubling shift toward authoritarian rule and a reason for pessimism about the nation's future.

"I'm more anxious about this country than I've been at any time in the past except once," said Ehsan Ahmad, a historian who has returned to Pakistan after retiring from teaching in the United States. "The last time I felt this way was in '70-'71, when things ended up with the military intervention in Bangladesh."

That was when the Pakistan that was created out of British colonial India in 1947 broke apart, its eastern wing declaring independence as Bangladesh, largely because ethnic Bengalis felt the government did not represent them. While no separatist movement of similar strength has emerged since and military commanders appear committed to a ci-

vilian government, other trends — the growing concentration of authority in Islamabad, ethnic and sectarian tensions and the expanding role of the military — recall Pakistan's most traumatic period since the birth of the Islamic republic.

Smaller provinces are grumbling more loudly than usual about the political dominance of the ethnic Punjabi majority, to which Mr. Sharif and nearly all top leaders except the army chief of staff belong. About 60 percent of the nation's 130 million people live in Punjab Province, home to the ethnic group whose members have dominated the military and bureaucracy since independence.

The other provinces — Sind, Baluchistan and the Northwest Frontier — have distinct ethnic identities. "In the past 50 years, Pakistan has not been a success in national integration," said A.R. Siddiqi, a retired general who directs a Karachi research and analysis group. "We are falling apart."

The biggest ethnic divide is in coastal Sind, the second-most populous province. The group that gave the province its name has become a minority, surpassed in numbers by the descendants of Muslim migrants who came from northern India a half-century ago. Last November, Mr. Sharif imposed martial law and suspended civil rights in

Sind in an attempt to curb ethnic violence in Karachi, the provincial capital. Military courts also were established in the city of 10 million, but the Supreme Court ruled the tribunals unconstitutional two weeks ago. Martial law remains in effect in the province, and thousands of paramilitary troops continue to patrol Karachi's streets.

In Punjab, sectarian violence this year between majority Sunni Muslims and minority Shiites persisted through the holy month of Ramadan. Relatively small militant groups on both sides have been blamed for the violence, which has been fed by the rising popularity of Islamic fundamentalist parties among Pakistanis disenchanted with the scant material benefit they can see from four democratic governments in a decade.

Mr. Sharif has attempted — so far, unsuccessfully — to co-opt the fundamentalist agenda by moving to make Islamic law supreme under a proposed constitutional amendment that appears to be stuck in the Senate, where his Muslim League party lacks a majority. The possibility that Islamic fundamentalism will prevail here has frightened many members of the educated elite. A young professional couple in Karachi recently arranged standby immigration visas in Australia so they could escape Islamic rule if it does come about.



Sardar Nasim, left, and Tanveer Ahmed, members of Prime Minister Sharif's ruling party, leaving the Supreme Court in Islamabad on Monday after being indicted along with four other legislators for allegedly joining a mob that invaded the court in 1997 during a political showdown.

A Shiite member of Mr. Sharif's cabinet, while supporting the constitutional amendment, has contemplated which country would offer the most comfortable exile should Sunni fundamentalists win the next election, due in 2002.

In this political situation, Mr. Sharif has vanquished his competitors in the

government and concentrated so much power in his own hands in his two years in office that critics call him an "elected dictator." His backers maintain that he has made efforts to reduce the power of officials and military men who lack a political mandate, such as the Supreme Court's chief justice, the army chief of staff and the indirectly elected president. But the levers of civilian government have grown so weak that the powerful premier has had to rely more and more on the military. Pakistan's most stable institution. Besides fighting crime in Karachi, the army has conducted the national census, taken over the largest power company and built roads in the Punjab.

A Western observer has described Mr. Sharif's dependence on the military as "a coup by invitation," while a recent book published in India asks if Pakistan has become "a withering state."

Ahida Hussain, a cabinet member who served as ambassador to Washington in the early 1990s, said Mr. Sharif had made a pragmatic decision to deploy the army temporarily to deal with serious national problems. "I believe the army is the best-trained personnel we have," she said. In any case, the army appears unenthusiastic about its new duties and is thought to be uninterested in an outright government takeover, partly because the United States, which retains considerable influence here, would strongly object to such a move.

"I think there is little chance of the army taking over," said Mr. Ahmad, the historian. "But you can never rule it out in this country because the warrior class has not been tamed by civil institutions."

BRIEFLY

### Manila Shunning Talks With Muslims

GENERAL SANTOS CITY, Philippines — President Joseph Estrada said Monday that he planned to concentrate on economic development instead of peace talks with Muslim secessionist rebels after the cancellation of a weekend meeting with a rebel leader.

Mr. Estrada said he would not respond to reported warnings from the Moro Islamic Liberation Front that their conflict could expand if the government did not make concessions.

"I will not waste my time answering what they said. As far as I'm concerned, that's it," Mr. Estrada said on the last day of a five-day swing through the impoverished Mindanao region to press for development projects and efforts to end a long Muslim rebellion.

Mr. Estrada has taken a tougher line in recent days toward both Muslims and Communists, who are fighting separate rebellions. (AP)

### Organ Transplants Welcomed in Japan

TOKYO — Japan welcomed the success of four weekend organ transplants, heralding a new era in medicine in a nation where a deep mistrust of doctors has for decades kept such operations unavailable.

Doctors finished transplanting a liver and two kidneys Monday morning, only hours after Japan's first heart transplant in 30 years was completed.

Doctors were watching for possible infections and organ rejection. But the operations all went smoothly, they said. (AP)

### For the Record

North Korea rejected reports of 3 million deaths from starvation in the nation as a campaign of lies, sowed by South Korea's intelligence service. An official spokesman called the figure for deaths "a whopping lie." (Reuters)

Anwar Ibrahim, the jailed former deputy prime minister in Malaysia, said he feared that the former police chief who assaulted him in custody might go unprosecuted. Abdul Rahim Noor has admitted his role in the beating. (AP)

# Arrest in U.S. May Shed Light on China Missile Effort

By David E. Sanger  
New York Times Service

WASHINGTON — Federal agents in California quietly arrested a Chinese citizen last week and charged him with trying to obtain a component vital to missile guidance systems. Officials said the arrest shed light on what many in Washington say is an effort by China to smuggle U.S. technology to improve the accuracy of its weapons.

The Customs Service has yet to make a public announcement of the arrest of the man, Yao Yi, but federal officials and a criminal complaint filed in U.S. District Court in Boston said Mr. Yao tried to buy fiber-optic gyroscopes from a Massachusetts defense contractor.

After the State Department refused to approve the deal, Mr. Yao dealt with another Boston company, which promised to help get the gyroscopes out of the United States. But that company was a dummy corporation set up as part of a sting operation by the Customs Service. The news came as Secretary of State

Madeleine Albright arrived Sunday in Beijing, where she is likely to complain of a missile buildup by China in her talks with leaders there.

Federal officials are trying to determine whether Mr. Yao, who was arrested while attending a conference on fiber optics in San Diego, was working as an entrepreneur or as a purchaser for the Chinese military. During the transaction, Mr. Yao said he was representing a Beijing company called Lions Photonics and insisted that the gyroscopes were destined for a Chinese university that was working on a railroad project.

While such gyroscopes can indeed be used in railroad projects, federal officials do not believe the story, because an associate of Mr. Yao's said they also were seeking infrared sensors, which are commonly used in missiles to detect heat-generating targets.

One federal official said that using this kind of gyroscope for a railroad project "would be like flying an F-14 to the grocery store."

The arrest of Mr. Yao, who is believed

to be 33, came only hours after the Clinton administration, in an unrelated case, decided to prevent Hughes Electronics from exporting to China a \$450 million communications satellite, ordered by a Singapore consortium with links to officers of the People's Liberation Army.

The State and Defense departments said they feared that the satellite and the technology to launch it into precise orbit could further improve the accuracy of Chinese missiles.

And as Mr. Yao was being escorted into federal court in San Diego on Friday for a hearing at which he agreed to be transferred to Boston to face charges, the Pentagon delivered a report to Congress detailing China's buildup of tactical missiles on the coast facing Taiwan.

The report concluded that China is "still decades" away from being able to project military force far beyond its borders, but that its cruise and ballistic missiles "will give Beijing the 'credible intimidation' needed to accomplish political and military goals without hav-

ing to rely on overwhelming force-on-force superiority."

The man identified by authorities as an associate of Mr. Yao's — Collin Xu, a Canadian citizen of Chinese origin — was arrested two weeks ago in Boston after he allegedly took delivery of the fiber-optic gyroscopes. He is being held without bail.

Mr. Xu pleaded not guilty and his lawyer, Richard Egbert, declined to discuss the case, saying, "The facts will come out when we develop them."

According to an affidavit filed in Boston by a special agent for the Customs Service, Lions Photonics first sought to buy four advanced gyroscopes in December 1997. Officials familiar with the case said the company, which was not named in the complaint, was Fibersense Technology Corp., of Canton, Massachusetts. According to the complaint, the company told the two men they would need permission from the State Department, because the gyroscopes can be exported only with a li-

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## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## China as a Partner?

When the Clinton administration defended its policy of engagement with China, it painted a bleak picture of the alternative. If America did not seek warmer relations, it warned, that Asian giant was more likely to become hostile. Democratization and human rights would suffer. China would not cooperate with the United States in trouble spots around the world.

Well, President Bill Clinton went to China to promote his "strategic partnership," and look what we have. A massive Chinese military buildup threatening Taiwan, according to a Pentagon report last week. A Chinese veto of a United Nations peacekeeping operation that had helped stabilize a key country in the Balkans, also last week. China intimidating Southeast Asian countries in the Spratly Islands; threatening the rule of law in Hong Kong; undermining U.S. efforts to obtain access to a suspect North Korean construction site; and, according to the Washington Times, actually cooperating with North Korea on its space program. While that last allegation remains unconfirmed, there is no doubt about Chinese threats to undermine U.S. efforts to stem missile proliferation, since the threats were communicated by a senior Chinese official.

And then there are human rights. Before the administration's boasts on promoting openness and democracy in China had faded away last year, the Communist regime's latest roundup of democrats and dissidents had begun. As the State Department stated in its annual report on Friday, China's gov-

ernment "continued to commit widespread and well-documented human rights abuses."

We seem, in other words, to have ended with the worst of both possible worlds. By flattery China and slighting traditional U.S. allies, Mr. Clinton has sowed nervousness among the Asian democracies whose friendship he should most value. Yet his eagerness to win friends in Beijing seems not have produced much improvement in the regime's domestic or international behavior.

There is, therefore, considerable cause for anxiety as cabinet- and sub-cabinet-level officials troop off to China in preparation for the next round of summitry. The United States is eager to negotiate China's entry into the World Trade Organization, but unless China is truly prepared to play by international rules, such an early accession could be disastrous. At the same time, the administration has yet to decide whether to support a resolution regarding China's human rights record when the UN Commission on Human Rights convenes. With its delay, the administration will guarantee that such a resolution will go down to defeat.

The U.S. Senate, by a vote of 99 to 0, urged the administration to go forward with such a resolution, and with good reason. President Clinton is right to encourage communication with China's leaders. But the relationship should be grounded in reality, not in wishful thinking.

—THE WASHINGTON POST.

## Transition in Nigeria

Olusegun Obasanjo, a former general, will be the next president of Nigeria, according to election results. His selection reflects the complexities of power in Nigeria today.

When the country's current leader, General Abdulsami Abubakar, took over last June, he promised a transition to civilian rule after 15 years of disaster under general after general. He has kept his promise, but the transition is incomplete. Military officers, who largely bankrolled Mr. Obasanjo's candidacy, will continue to loom over his government. He will have to break with them to have any success in improving life in Africa's most populous nation.

General Abubakar took power after the death of General Sani Abacha, one of the most corrupt and certainly the most despotic of Nigeria's recent military rulers. Their thievery and mismanagement turned Nigeria, one of the world's richest nations during the oil boom of the 1970s, into one of the world's poorest. General Abacha snuffed out political life in this once vibrant country, jailing many of his rivals, including Mr. Obasanjo.

In his nine months in power, General Abubakar reversed much of the political crackdown. Most political prisoners are now free. Newspapers publish openly. This election was the first in many years in which the government did not dictate the number of parties, although Mr. Obasanjo's opponent has complained about fraud in Saturday's voting.

General Abubakar's promises to bring corrupt or brutal officers to justice have melted away. Some political opponents jailed on trumped up charges are still in jail. General Abacha's de-

crees muzzling the press are still on the books, and lately some journalists who write sensitive stories have been harassed and their publications confiscated. Police have killed protesters, with the worst repression in the Delta, the country's poorest region despite being the source of its oil wealth.

Many Nigerians hope that Mr. Obasanjo's government will end the military's political role, but this is unlikely. Mr. Obasanjo, who was president from 1976 to 1979, is the only military ruler to leave office voluntarily. Yet he is still close to the armed forces. Military men finance his party, and one of his biggest supporters is Ibrahim Babangida, among Nigeria's less savory former military rulers. That money allowed Mr. Obasanjo to build a political machine that won a majority in both houses of Parliament in elections earlier in February.

Desperately needed economic reforms and anti-corruption measures will anger officers, the main beneficiaries of the present morass. Reversing the poverty and environmental destruction of the Delta is another urgent task that may be hindered by Mr. Obasanjo's links to the armed forces, which are hated there. Those ties may also prevent him from calming ethnic tensions. He is a Yoruba from Nigeria's southwest, but many Yoruba distrust him, viewing him as closer to the northern army officials who have traditionally run Nigeria.

To have any success in tackling these daunting problems, Mr. Obasanjo must make his government not the last stage in a military transition but the first stage of full civilian rule.

—THE NEW YORK TIMES.

## Other Comment

## Time for Japan to Pitch In

Japan knows that, if it wants a permanent Security Council seat, it needs to share in the responsibilities of upholding the council's decisions.

Precisely because of Japan's military past, its government needs to explain to opponents at home, as Germany's did, that defending democratic values sometimes, regrettably, requires military means. Most Japanese would rather put off such difficult issues until a mind-clearing crisis comes along. But, as Germany has found, doing more dangerous military duties takes careful peacetime preparation and practice. By crisis time it is already too late.

There will always be understandable doubts about a militarily more active Japan. But there are two greater dangers. One is that, come the next real crisis, one of East Asia's best equipped armed forces will mostly stand aside and watch. The second is that if, as a

result, Japan's alliance with the United States did fall apart, Japan would have little choice but to arm itself more aggressively, including possibly with nuclear weapons. Better for Japan to learn to work more closely with the Americans than to sail forth alone.

—THE ECONOMIST (London).

## A Coalition for Israel

Most Israelis are neither ultra-Orthodox in their contempt for democracy nor militantly secular in their contempt for religion. The way to satisfy our opposing needs is by minimizing the formal controls of religion while encouraging Jewish values in education and culture. Secular defenders of democracy need to create a coalition with moderate religious Zionists that will confine the influence of the ultra-Orthodox to their self-imposed ghetto.

—Yossi Klein Halevi, commenting in the Los Angeles Times.

## America and China: Back and Forth to Nowhere

By Richard Halloran

HONOLULU — A new season in U.S. relations with China, the emerging power of Asia, is about to open. If the past is any guide, the Clinton administration will get nowhere, with the possible exception of military-to-military connections. Even these may come under strain unless the Chinese are more forthcoming.

Talks that Secretary of State Madeleine Albright is holding in Beijing this week are to be followed by visits by Trade Representative Charlene Barshefsky, the chairman of the Joint Chiefs of Staff, General Henry Shelton, Defense Secretary William Cohen, and the commander of the Marine Corps, General Charles Krulak.

From the day the Clinton administration took office in 1993, it has swung like a willow in the wind on China policy, with little consistent direction. Today is no different.

President Bill Clinton was conciliatory during his nine-day trip to China last June, coming close to accepting Beijing's position on Taiwan, over which China claims sovereignty although the island is independent in all but name. Hardly had he arrived back

in Washington when the Senate voted, 92 to 0, to support Taiwan. Since then, Energy Secretary Bill Richardson has visited Taiwan and called on President Lee Teng-hui, while in Washington Mr. Clinton met the Dalai Lama. Taiwan's chief of the General Staff, General Tang Fei, met Mr. Cohen in Washington, and the United States has continued to sell arms to Taiwan. U.S. trade officials have said Taiwan should be admitted to the World Trade Organization without waiting for China to join. All this has been vigorously criticized by Beijing.

Not long before heading to Beijing, Mrs. Albright gave the Chinese a public tongue-lashing on human rights. Last week, Washington canceled the export to China of a commercial satellite for communications. The Clinton administration has been under fire from Republicans in Congress who contend that the United States is helping to strengthen China's armed forces through transfer of technology.

Trade problems are close to erupt-

ing. China's surplus rose to \$56.9 billion in 1998 from \$49.7 billion the year before, making it second only to Japan in its trade imbalance with the United States. Mrs. Barshefsky has so far been unable to find a negotiating strategy that would force Beijing to begin correcting that deficit.

Only in military relations has Washington made progress, with two themes. The first is to assure China that America is not a threat and does not seek to contain or repress China. The second is to deter the Chinese by making plain that their forces would suffer devastating defeat if Beijing chose to engage the United States in hostilities.

As part of this approach, the United States has invited 250 senior Chinese military officers to U.S. bases in the last three years. This year, according to the Pentagon, Chinese officers will watch a mass drop of paratroopers from the 82d Airborne Division, visit a ballistic missile submarine base, observe armored training in the California desert, and attend seminars on military medicine, logistics and flight safety.

But Washington is not happy with China's response. Mr. Cohen said re-

cently that it wanted "complete reciprocity" from the Chinese military.

Admiral Joseph Prueher, who has just retired as commander of U.S. forces in the Pacific, noted with disapproval that he had to pass through several layers of bureaucracy to speak directly with senior Chinese officers. In contrast, he said that with other nations it was "a simple process to telephone my colleagues in the military." He also said that the United States wanted "to bring younger, more junior American and Chinese officers together." If China fails to be more open on military issues, the Pentagon might become more cautious.

But fundamental contrasts in perceptions of the future of Asia could cause the most trouble. Admiral Prueher is concerned that Beijing is seeking to revive the concept of the Middle Kingdom, in which China dominates Asia. That would clash with the U.S. approach of maintaining a balance of power in the region.

The writer, a former Asia correspondent for The New York Times, contributed this comment to the International Herald Tribune.

## Washington Panders to Beijing and Patronizes New Delhi

By Stanley A. Weiss

GSTAAD, Switzerland — If America's Asia policy were a movie, China would be cast in the part of the favored elder child, who the audience knows is a rogue but who can do no wrong in the eyes of the parents. India would be the younger, morally superior sibling, a hit of a nag, who strives in vain for approval. By the end of the film, the family would have narrowly averted some tragedy and everyone would be reconciled through meditation and acupuncture.

Unfortunately, the dangerous scenario setting itself up in Asia is real. It is real life in the real world. Indian government officials, policy analysts and military and business leaders I met recently in New Delhi are quite rightly puzzled and frustrated by the double standard that the United States applies in the region. Why, they wonder, does America pander to China, the world's largest authoritarian state, and patronize India, the world's largest democracy?

The prickly U.S.-Indian relationship only got worse when New Delhi conducted its nuclear tests last May. Now, eight rounds of talks between U.S. Deputy Secretary of State Strobe Talbott and Indian External Affairs Min-

ister Jaswant Singh have led to a four-step U.S. proposal for lifting economic sanctions imposed after the explosions. Washington wants India to stop all nuclear testing, halt production of fissile material, halt missile testing and strengthen export controls.

But India, unlike China, has never shared its nuclear technology with another nation.

Defense Minister George Fernandes told me: "We have announced that we will not test any more nuclear weapons. We have stated clearly a 'no first use' strategy. We are ready to participate in negotiations for a Fissile Materials Cutoff Treaty. And we will continue stringent controls on our nuclear and weapons technology."

"However, we intend to keep testing until we are satisfied that we have a dependable medium-range, 3,000-kilometer missile, a credible minimum deterrent. I would ask President Clinton only one question: 'Why do you feel you can trust China with nuclear weapons but you cannot trust India?'"

China has stepped up its nuclear and ballistic missile capabilities. Russia

and the United States intend to dismantle the most destabilizing nuclear weapons, their intercontinental ballistic missiles with multiple warheads, but China continues developing them.

China has a minimum of 400 nuclear warheads and is building at least 20 mobile ICBMs topped with one-megaton warheads that can target any Indian (or American) city.

Unlike India, which never joined the nonproliferation treaty, China made a binding international commitment not to assist any non-nuclear weapons states, yet it continued to help Pakistan in developing its nuclear weapon and ballistic missile programs.

Washington has largely turned a blind eye to this and other Chinese violations of the treaty, while sticking to the letter of the law in denying India access to critical safety-related equipment and spare parts for its aging, hazardous civilian nuclear power plants.

China appears to want a modern version of the Middle Kingdom to which all other Asians will have to bow. Besides hemming India in with a nuclear Pakistan to the west, it has stockpiled nuclear weapons in Tibet, just across India's northern border. To the east, it is providing military and economic aid

to Burma for espionage operations against India.

Some experts see a systematic effort to gain a military toehold in the Bay of Bengal, the Andaman Sea, the Gulf of Thailand and the South China Sea in order to control the Malacca Strait, through which more than one-sixth of world trade passes.

A strong, nonaggressive India would be a counterweight to China.

Washington appears ready to accelerate efforts to develop a new partnership with India based on what the two great nations have in common: a democratic political tradition and a legitimate fear of any one nation dominating Asia. Mr. Talbott recently said: "India can continue to serve as an important reminder to China that democracy is not only possible but also necessary."

If the United States wants a storybook ending in its relationship with China and India, all three nations will have to work for it, not just sit back and wait for the closing credits to roll.

The writer is founder and chairman of Business Executives for National Security, an organization of U.S. business leaders. He contributed this comment to the International Herald Tribune.

## Smooth Sailing So Far for Milosevic the Clever Dictator

By Anna Husarska

WARSAW — Everything is going according to the plans and wishes of Slobodan Milosevic.

On the Kosovo negotiation front, his envoys to Rambouillet made small concessions but stuck to their position of not letting foreign troops meddle inside Yugoslavia. This tough stance could have backfired, without a helping hand from the Kosovo Albanians.

Their obstinate refusal to sign what the international mediators put before them in effect erased the threat of NATO air strikes against Serbia (for what the threat was worth).

Or perhaps Mr. Milosevic

wanted air strikes? They might have strengthened his role as a Slavic David who defies the imperialist Goliath.

Other Milosevic successes have been more strictly domestic, easily overlooked in the West but important because, as every dictator of East and West knows, weeding out the democratic sprouts is a condition for a good grip on power.

The easiest job was to uproot potential dissent in the uniformed ranks. With a stroke of a pen, the head of state security, Jovica Stanisic, was sacked last October and the chief of staff of

the Yugoslav, General Momilo Perisic, in November.

Students and teachers, particularly at Belgrade University, were a constant annoyance from 1992 on, and especially after the street protests of 1996-1997. These people are a potential greenhouse for future opposition. But when the ultraright-wing Vojislav Seselj of the Radical Party joined the Milosevic family coalition last spring as a deputy prime minister, he made sure that order was swiftly re-established.

A law on higher education passed in May turned univer-

sities into state institutions, thus putting an end to their dangerous autonomy. True, the philosophy, law and electrical engineering faculties in Belgrade protested, and strikes were called. Mr. Milosevic drew back on minor issues, calmed the hotbeds, and now all is quiet on the education front.

He did not have to copy the Burmese dictators who simply closed the universities — the logic being that when there are no students there are no student protests.

More troublesome for Mr. Milosevic was the uncontrolled flow of information and opinion. Journalists of print and electronic media were poking their noses into his reign, reporting on such tasteless things as massacres in Bosnia or Kosovo, discussing vague concepts such as human rights, and taking advantage of the magnanimous attitude of the Yugoslav police.

Back during the protests two years ago, Radio B92, for instance, was really pushing it. Its director, Vukobrat Vukobratovic, and others, and soon citizens wanted uncensored news. This was not to be tolerated.

Again Mr. Seselj's presence on board turned out to be useful. In October, using the excuse of the threat of NATO air strikes, he had one more law adopted by the obedient Parliament, and the press was reined in. Only the docile media are free to operate. The others can be harassed at a whim.

Police were sent to upstart newspapers. Some folders (such as Nasa Borba), Others had to turn to printers in Croatia (Evropjani) or Montenegro (Dnevni Telegram). Radio and television stations are now forbidden to rebroadcast foreign supplied material, and are burdened with high taxes.

A third and fortunately least strong element standing between Mr. Milosevic and total power was political opposition. Zvezdan, the coalition forged in the 1996-1997 street protests, had the courtesy to collapse by itself. But Milan Panic, the former federal prime minister and Milosevic adversary from the 1992 elections, re-emerged as head of another opposition coalition, called Alliance for Change.

As a wealthy entrepreneur with a U.S. passport, Mr. Panic seemed to be beyond reach. But no. His company, ICM Yugoslavia, a sister enterprise to California-based ICM Pharmaceuticals, was taken over and declared de-capitalized.

Now Mr. Panic sues an attempt to move his company to Montenegro. Busy with legal actions, he will stay safely away from playing politics.

Mr. Milosevic's subjects-citizens are slowly forgetting the taste of freedom, as the world looks on in silence.

The writer is a fellow at the Media Studies Center in New York. She contributed this to the International Herald Tribune.

## What Thailand Needs Is Reflation

By Philip Bowring

BANGKOK — The drubbing that Thailand has received in the past 18 months from the markets and the IMF has left it lacking confidence to move boldly to restart its economy. The Thai experience is important for the recovery of all of Asia, and has lessons for a Europe still fighting the last anti-inflation war.

It has become a truism that Thailand has done most of the right things to regain foreign confidence, including follow some ill-conceived policies. This is reflected in the partial recovery of the stock market, currency stability and lower interest rates. With South Korea, Thailand is supposed to be the furthest down the road toward Asian recovery.

The reality is less benign. The absolute bottom for the economy is probably close at hand, but there is now a strong likelihood that the hoped-for V-shaped recovery will not happen. Instead the economy will be dead in the water for at least a year. For others the process will be longer.

Such stagnation carries the danger that the social cohesion that Thailand has so far shown will begin to crack. Already the farmers are restless. Another year of no growth, and populism could gain ground against internationalist, modernist forces.

Last year, agricultural output and prices were firm, sustaining rural incomes at a time when the urban economy was collapsing. This year, farm incomes are being hurt by low world prices and drought.

Prices of almost all exports have continued to fall, offset-

ting any volume gains that may have come from devaluation. Interest rates have fallen dramatically, but with inflation at zero a prime rate of 10 percent is still very high.

Banks remain reluctant to lend, and with capacity utilization rates in industry at around 50 percent there is scant scope for private investment.

The government has realized the need for fiscal stimulus. It has IMF approval for a budget deficit of 5 percent of GDP. But bureaucratic inertia is delaying spending.

Some tax cuts are being contemplated. The Ministry of Finance is debating the relative merits of income, corporate and value-added tax reductions. But caution reigns. For example, there seems to be scant hope that the VAT increase from 7 to 10 percent will be fully reversed.

Given the depth of the Thai slump, the problems of the private sector, the modest size of government debt and the still huge demands for better rural infrastructure, a 5 percent fiscal deficit is hardly alarming. In Europe, 3 percent is almost the norm. A significantly bigger deficit would spur employment and growth.

Old worries about inflation, public debt and currency values hinder response to today's actual situation: deflation, a huge and unnecessary current account surplus, and an exchange rate that is more helpful to those with foreign debts than to exporters' cash flow.

A return of moderate inflation and of monetary growth caused by debt monetization is desirable.

The outside world's main concerns with Thailand now are with passage through Parliament of reforms such as new bankruptcy and foreign ownership laws. These are significant for the markets, but far less important than the macroeconomic issues. They demonstrate again the Western obsession with financial issues rather than the real economy.

Praise for Thailand has not been matched by recognition of the extent of the difficulties ahead. The European Union, unlike Japan, has done nothing to advance the orderly foreign debt restructuring that would make fiscal stimulus less controversial. Nor is there much recognition of the damage being done to Asia by weak export prices for commodities as well as manufactures.

For its own longer-term good as well as Asia's, the West needs to take a much more active approach to debt problems and to making reflation the main goal of IMF/World Bank policies in the region. It makes little sense for the West to blame Japan for its failure to reflate when it does nothing to assist the smaller countries of the region to do so.

Hypocritical lectures about financial transparency are no substitute for encouragement of countries like Thailand to press for renewed growth while keeping markets open. Excessive caution all around is prolonging the Asian crisis.

International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO.

## 1899: China Affairs

LONDON — A Morning Post leader says: "The European Concert is required to administer the affairs of China. It is for Great Britain to take the lead in the matter. Her interests require it, her traditions support it, and her methods are in favor with honest officials in Peking."

## 1924: Foreign Villains

NEW YORK — Complaint comes from abroad that in the American films the American man always is the hero while the villain is a foreigner. Mexico more or less formally protested some time ago against the policy of always making the "bad man" a greaser from below the Rio Grande. Japan, too, has felt ill-treated by some of the films. Englishmen are said to be cast as being something of contempt upon them. Yet American producers do not want to

make all their villains Americans, for then the world would get the impression that this country is far too full of villains.

## 1949: Prize for Pound

NEW YORK — [The Herald says in an Editorial:] In awarding a prize to Ezra Pound for the best poetry published in 1948, the judges were aware "that objections may be made to awarding a prize to a man situated as Mr. Pound." Mr. Pound is under indictment for treason. Charged with broadcasting Axis propaganda during the war, he has been adjudged incompetent to stand trial and is now in a mental hospital. But these facts cannot alter the quality of his poetry. The judges reaffirmed the principle that the value of art is independent of the moral character of the individual who produces it, whether Mr. Pound is guilty or innocent or whether he is sane or insane.

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OPINION/LETTERS

# Americans May Gripe But Taxes Are Low

By William G. Gale

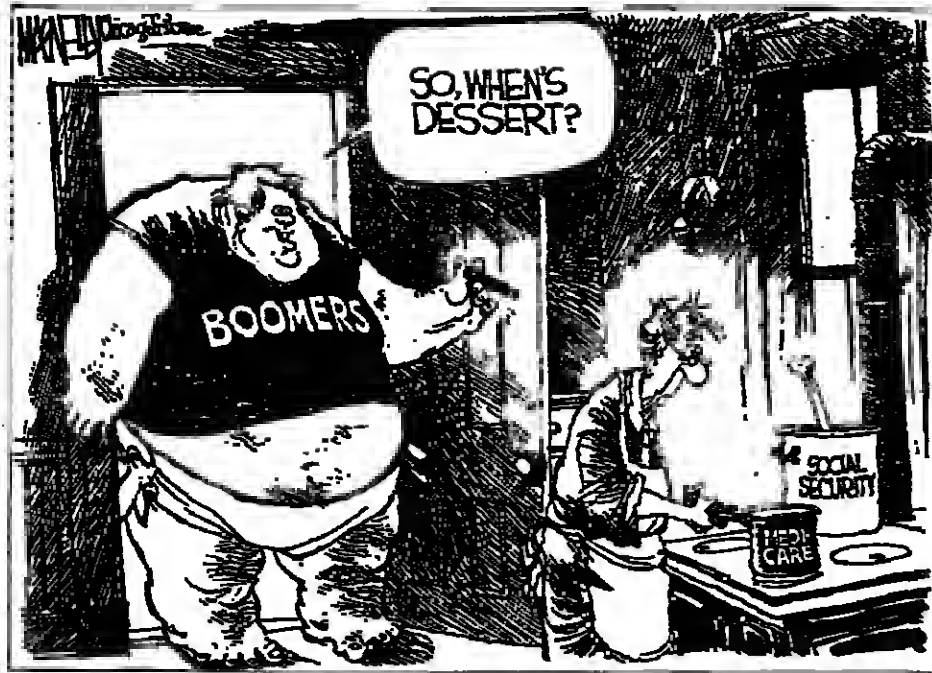
LOS ANGELES — As President Bill Clinton and congressional Republicans tinker about how to fix the projected budget surplus, a near constant drumbeat emanates from tax-on-advocates: Taxes are at record high levels and are impeding increasingly crushing burdens on American families.

The first claim is right: Federal, state and local taxes comprised just over a third of all income earned in 1998, the highest level ever. But the second claim is wrong. In fact, the vast majority of American families, taxes are as low or lower than they have been in the past 20 to 30 years. Overall, tax payments have risen because the rich have gotten richer at an excessive rate and because the law has raised higher tax rates to policy changes in 1993 and 1998.

Tax-cut advocates like to report that the typical two-earner family paid nearly 40 percent of its income in taxes last year. This claim has acquired a life of its own, but it is flawed and vastly overstates tax burdens faced by most households.

The misleading estimate comes from a study by the Tax Foundation, a Washington research organization that tracks tax policy.

In fairness, a conceptual issues surrounding what is a "tax" or "income" and how to determine who bears the ultimate burden of taxes paid



lowest since 1955. Families with earnings of almost \$110,000, who are in the top 10 percent of the income distribution, will pay a projected 1999 income tax burden of 14.1 percent, the lowest rate since 1972.

Adding Social Security and Medicare taxes to the Treasury income tax estimates raises the estimated tax burden, but does not change the conclusion that taxes are low relative to previous years.

Congressional Budget Office estimates show that, for households in the bottom 60 percent of the income distribution, the burden of all federal taxes is at a 20-year low. Only among the top 20 percent of households did total federal taxes rise in the last 15 years, and only back to the levels of the 1970s.

The Joint Tax Committee estimates federal burdens that

## The Unspoken Art of Cablese

By E.J. Dionne Jr.

WASHINGTON — We are famously inventive in finding the language we need — and in discarding words and even languages when they are no longer useful. A good deal of the inventiveness is driven by technological change, though remnants of the old era survive.

For example, virtually no one dials a telephone anymore — you punch numbers. Yet we stubbornly stick to the term "dial."

But the saddest tale of all is how technological progress has essentially killed off a distinguished old language known as cablese.

As in cable and elsewhere, Cablese was invented by foreign correspondents for wire services and newspapers in the days when there were no computer satellite systems and no fax machines. To send your story home, all you had were slow and difficult telegraphic cable offices. Cablese was invented to save money. It was about the never-ending war between the clerk behind the Western Union desk and the journalist over what constituted a single word.

Daniel Schorr, a commentator at National Public Radio, says that cablese was born of "constant struggle to save nickels."

Since the telegraphic companies charged by the word, one trick was to try to turn two words into one. The broader trick was to scrunch thoughts together in a small

queen had just given birth to a new baby girl, the economical way to do it was: QUEEN DAUGHTERED.

A famous angry cable from a reporter to an editor began: "UPSTICK JOB," and then suggested where the job could be stuck, using the word formulation after an anatomical reference.

Mr. Keats tells of an exchange of cables between Evelyn Waugh and his editor about a British nurse thought to have been killed by an explosion in Ethiopia in mid-1930s. The editor wanted a story and sent Waugh the following: "NEED 200 WORDS UPBLOWN NURSE." But it turned out the nurse in question was alive and well. Waugh replied: "NURSE UNUPBLOWN."

Sometimes, cables were simply fun. A reporter had failed to note the age of Hastings Kamuzu Banda, president of what was then Nyasaland. His editor wrote: "HOW OLD BANDA."

The reporter answered: "OLD BANDA FINE HOW YOU."

Anne Zasy, a former editor at The New York Times, says "un"-formulations were very useful to editors. A cable to a reporter that read "UNFIND STORY" or "UNSITE STORY" might translate: "Where the hell is your story?" The way to tell a correspondent not to file anything was to declare: "UNNEED STORY."

The Washington Post.

number of words. This was done with the liberal use of Latin prefixes (ex-, pro-) and some inventiveness.

You could not just put three words together and have the cable company count them as one. They were too smart for that. "The

### MEANWHILE

whole art of cablese was taking two words and turning them around and making one," Mr. Schorr explains.

One of his personal favorites is a cable from an editor to a reporter who was filing far too many words on a particular event. The editor's way of shooting the reporter down was this two-word cable: PROCHRIS-SAKE OFFLAY.

Mr. Schorr, by the way, believes that one of the few words of cablese that has entered the popular language is DOWNPLAY.

Mike Keats, managing editor of Inter Press Service and a veteran of 30 years at United Press International, offers some examples.

Instead of saying, long-windedly, "I am leaving Johannesburg and going to Nairobi," you'd cable your boss: EVEEXJOBURGING NAIROBIWARD.

Three words instead of eight. ("EVE" was always used in place of "I" so it wouldn't get lost or be confused with a number.) To report that the

## Her's How to Spend the Surplus

By William Safire

WASHINGTON — A half-century ago, government at all levels controlled a fourth of the U.S. economy. Today it is up to a third; this is wrong direction.

This year's rough handling of tax relief was best analyzed by an economist-humorist: "Unless something is done — and soon," writes David Barry, "to relieve the massive buildup of excess tax receipts, the Treasury Building will explode and release its contents into the atmosphere, forming an immense cloud of mope."

He adds: "If the wind were to shift, the money could fall back to Earth, where some of it could, conceivably, wind up — this is referred to as top-secret government documents as 'Doomsday Scenario' — back in the hands of taxpayers."

With the government awash in the profits of prosperity, why has there been no American taxpayers' revolt — no demand that a chunk of the surplus be left in the pocket of its source?

One reason is that maintaining today's high rate of taxation is being falsely sold as "saving Social Security" — as if we were squirreling away the decades of anticipated surplus for the boogymen's rainy day.

But that fund is always on loan to the Treasury; it is a pocket-switching business that does not deal with real reform, which would also raise the next generation's retirement.

Another reason for the unrevolt is that much of the suddenly discovered bonanza in Rosy Scenario's "projected surplus" could be used to reduce the national debt.

Conservatives like that; it means that when massive treasury borrowing is needed to send out checks to boomer-geezers, interest rates would probably be lower.

So let's deal with reality. If two-thirds of the surplus is earmarked for debt payment, what sort of tax cut is likely?

Prespot Bill Clinton would veto a one-size-fits-all 10 percent rate cut, while his array of tailored loopholes would not be passed.

A partial fix of the marriage penalty.

So, conservatives argue rightly that government should not discourage marriage. Today, two people making \$100,000 each have to pay up to an additional \$10,000 a year

just to have children in wedlock. That is anti-family, and it is time to stop it.

An equal reduction of everybody's rates, shaving only a couple of percentage points off the fortyish top rate.

This is part of what economic conservatives urge to keep the boom booming. If it benefits the top third most, that is because the top third pays most of the taxes and would use that money most productively — saving, buying, investing, employing. That system has left the redistributive world far behind.

Some progress on "death to the death tax."

By confiscating 55 percent of your savings beyond a certain amount when you die, the government punishes you for saving for your children's tax policy now says: You can't take it with you, and you can't leave it behind; so spend it. But most Americans, and not just the rich ones, think that you should be able to leave most of what you save to your kids. A reduction of the estate tax to the percentage of the top income rate is considered fair.

Such a package of tax cuts might be difficult to vote against. Vice President Al Gore would think twice before opposing it. It does not have the sweeping benefit of the historic 1986 reforms, but today's Senate Finance Committee does not have Bob Packwood and Bill Bradley to conceive a daringly simple and fair plan and to build a surprise coalition.

Presented with such a modest but sensible package worked out in the Congress, what would Mr. Clinton do?

My guess is that he would declare victory on "preserving the surplus" and averting the full 10 percent across-the-board rate cut, scrap his unsalable retirement entitlement and cut a deal on the sartorial tax reductions.

The anticipated Clinton price for tax cuts: Let's take a \$200 billion slice of our projected pie in the sky, and let me plan to spend half on education while you spend half on defense.

Would Democrats in Congress go along with this sort of a tax-budget deal? The education lobby would like it. California could use the anti-missile money; some creative credit could be found to pay off contingency-free lawyers.

There, that would comfort the overburdened taxpayer. Let's keep moving on.

The New York Times.

## LETTERS TO THE EDITOR

### World Bank's Role

Regarding "Economic Growth Requires Good Governance" (Opinion, Feb. 26) by Im Dae Jung and James D. Wolfensohn:

Mr. Wolfensohn, as president of the World Bank, claims he is committed to the fight against poverty. Seen from East Asia the policies of the bank over the past couple of years have had the opposite effect. During the buildup of the economies of Thailand, Indonesia, South Korea, neither the World Bank nor the investing community showed interest in creating transparent, accountable public institutions, accessible courts, effective bankruptcy laws, sound securities and strong anti-corruption policies.

It is the unrestrained rapid flow of vast amounts of capital in and out of relatively small national economies that is the root cause of their instability. Suggesting that the collapse of the East Asian economies could have been averted if journalists had been free to uncover market information, and stock exchanges had been able to provide data instantaneously, is more than simplistic; it is plain stupid.

The unregulated global marketplace for capital trans-

fers is unstable and will oscillate with ever-increasing amplitude until the system breaks down.

Widespread local corruption was only a minor contributor both to the buildup and the downfall of East Asia. As a result, the remedy of transparency proposed by the international institutions would not solve increased poverty brought on by globalization. What is required is responsible local government to look after the public interest by controlling the rate and direction of capital flows into and out of the country, thereby achieving the stability of the economy.

H. MEYERHOFF  
Geneva.

### Britain and Slavery

Regarding "Britain Confronts Police Attitudes, or Rodney King Without the Video" (Feb. 23):

The reporter, Sarah Lyall, oversimplifies greatly when she says that there is no "history of slavery" in England. It is true that there were no slaves maintained on English soil proper, but at the height of trafficking in African slaves, the English were among the most active traders. The trade was trans-

gular, with ships often starting from British ports and heading for Africa's Atlantic coast, where goods were exchanged for slaves. Slaves were then taken to the British West Indies or the Americas. Britain may not ever have had slaves working within its borders, but this is not the same as having no history of slavery.

ELIZABETH OGATA  
Tokyo.

### Greece and the Kurds

Regarding "Greece Needs to Explain" (Editorial, Feb. 27):

Greece's policy on the Kurdish issue is consistent. The Greek government has always denied giving any military assistance to the PKK — and so far no reliable evidence suggests otherwise. The Greek government has also strenuously avoided making the Kurdish issue another flashpoint with Turkey. Prime Minister Costas Simitis refused Abdullah Ocalan asylum in Greece, but, like the Italian government, could not support his extradition to Turkey, which would have been tantamount to condemning a man to death without trial.

JOHN C. CARRAS  
London.

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## BOOKS

## ARCHANGEL

By Robert Harris. 373 pages. \$24.95.  
Random House.

Reviewed by Jonathan Yardley

ROBERT HARRIS'S third novel — like its predecessors, "Fatherland" and "Enigma" — is a gratifying reminder that it is possible to write popular fiction with intelligence and grace.

Though scarcely as lush and convoluted as the work of John le Carré in its high period, "Archangel" shares an implicit understanding that books regarded as mere entertainment can be serious, can consider weighty themes within the conventions of the espionage novel or the thriller.

"Archangel" honors those conventions faithfully. It is the story of a rumpled, alcoholic British historian's discovery of what he believes to be the secret papers of Joseph Stalin, and of a long sequence of suspenseful, occasionally violent events that this discovery initiates. But "Archangel" is also a rumination on the past as it always exists in the present, on how, as the historian puts it, "you can't make sense of the present unless a part of you lives in the past."

The man's name is Christopher Richard Andrew Kelso, but he is known to all as Fluke, for he has at various times been the beneficiary of "a lucky stroke," "an

unexpected success." One of these was his authorship of what became an influential book on the transformation of the Soviet Union into the new Russia. Now he has come to Moscow for a conference called "Confronting the Past: An International Symposium on the Archives of the Russian Federation."

There he is accosted by an old man, Papu Rapava, who many years ago was a bodyguard in the service of Lavrenti Beria, head of the secret police under Stalin, and who now tells Kelso a remarkable story.

In March 1953, he says, he was ordered by Beria to Stalin's dacha outside Moscow, where the two men found the dictator in his final agonies. Beria went alone into Stalin's office, emerging an hour later with "a small leather satchel stuffed with something — papers, certainly, but there might have been other objects."

They went outdoors, where Beria ordered Rapava to dig a hole in the frozen ground and bury the satchel, which he put inside a metal toolbox.

After this, events move with speed: Stalin's death, Beria's rise and rapid fall, Rapava's exile for a decade and a half in Siberia.

In the 1990s, he decides that it is time to tell what he knows, and chooses as the recipient of this information Kelso, who has quit his Oxford lectureship, moved to New York, and watched his career spin downhill in a haze of alcohol and lust.

Though Rapava tells Kelso a great deal, he declines to be specific about the location of the buried papers. Thus Kelso begins the search on his own, in the process finding himself drawn into the middle between the new secret police, who are trying to protect the shaky quasi-democratic government now in power, and the Stalinist recidivists, led by one Vladimir Mamantov, whose dream is the restoration not merely of the old Communist order but of Stalinism itself.

Kelso is shocked to discover that this dream is shared by at least 10 million Russians, all clinging to their Stalinist loyalties despite overwhelming evidence that his regime was the bloodiest in human history, far bloodier even than that of Adolf Hitler.

Harris introduces innumerable characters, all of them convincing, and the narrative speeds toward its climax on the outskirts of the far northern port city of Archangel. There he confronts the living legacy of Stalin, and finds the past all too vividly in the present. Though Harris takes considerable liberties with history, they are not frivolous in the manner of television "docudramas."

He has important things to say, and he says them well. Into the bargain, "Archangel" is immensely entertaining.

Washington Post Service

## CHESS

By Robert Byrne

VISWANATHAN ANAND played aggressively at the Hoogoven International Tournament in Wijk aan Zee, the Netherlands, as exemplified by his last-round victory over the Bulgarian grandmaster Veselin Topalov. A speculative pawn sacrifice beguiled a tough opponent.

Fifteen years ago, 6 f3 in the Najdorf Sicilian was just a foreboding footnote, but lately it has sprung up all over. White anchors his center and plans to use the advantage in space that his e4 pawn gives him to attack the black king.

SICILIAN DEFENSE			
White	Black	White	Black
Anand	Topalov	Anand	Topalov
1 e4	c5	21 Bb4	Kf8
2 Nf3	d6	22 Rb1	Qd7
3 d4	c4	23 Bg1	Rd7
4 Nd4	Nf6	24 Nd4	Nb5
5 Nc3	a6	25 c4	Kf8
6 f3	b5	26 Nc2	bg
7 a4	b4	27 f4	Rb4
8 Nd5	Nd5	28 Ne3	e5
9 ed	g6	29 Qc2	Qe7
10 Bg3	Bb7	30 Rb1	Rb1
11 Bc4	Qc7	31 Rb1	Qc5
12 Bb3	Nd7	32 Rb7	Rc7
13 Qd2	Nb6	33 Kc2	Ba6
14 Ne3	a5	34 Qd2	Ba6
15 O-O	Rc8	35 Rb8	Kc7
16 Nd4	Ng7	36 Rb8	Qf6
17 Nb5	Qd8	37 g5	Qg7
18 g4	Nd7	38 Qd2	e4
19 Kf1	Nc5	39 Ng4	Rd7
20 B4	b5	40 Nf6	Rd6
		41 Qc1	Resigns

whatever side it castles on.

After 9 ed, Topalov might have tried to insert an obstacle to his opponent's game plan by 9...Qc7? to prohibit Bc4.

After 16 Nd4, Topalov could not go for a pawn with 16...Nd5 because 17 Nb5 Qc6 18 Qd5 wins a piece.

If 16...Bd5, then 17 Nb5 Bb3 18 Ne7 Rc7 19 Bb6 Rc2 20 Qc2 Bc2 21 Kc2 is a winning ending for White.

Topalov's 20...h5 was necessary to stop 21 h5, but it also meant that he had no refuge for his king on the kingside.

After 25 cb, it would have been disastrous for Topalov to play 25...Bd5? and allow 26 Nf5 gf 27 gf Kf8 28 Qg5 Kc8 29 Rd5, with an overwhelming position for Anand.

Anand's adventurous pawn sacrifice with 26 Nc2! bg 27 fg! Rh4 28 Ne3 brought all his forces powerfully into action against the black king, while the black bishop was cut off.

After 31 Rh1, he had control of the vital h file, but after 31...Qg5 32 Rh7 Rc7 33 Ka2, it is not easy to see how he could have defeated a defense by 33...Kg8. For example, 34 Rh1 Rc8 35 Qh2 Kf8 seems to keep the attacker at bay.

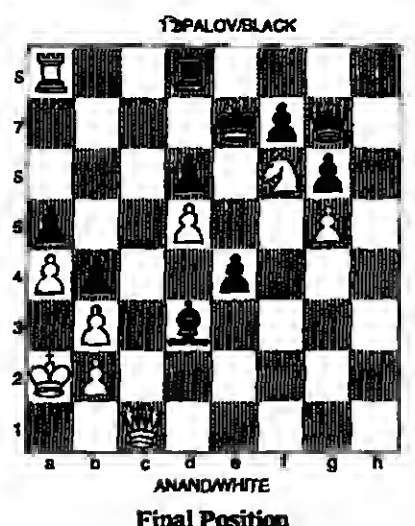
Even after 33...Ba6 34 Qh2, Topalov could still survive, but not by 34...Qc3? 35 Qh4 Kg8 36 Rh8 Kg7 37 g5 Qg5 38 Qg5 Kh8 39 Qd8 Kg7 40 Qc7. The solution is 34...Ke7 35 Rf7 Kf7 36 Qh7 37 Qg8 38 Qg7 39 Qg7 40 Kd8 39 Qg8, with a draw by perpetual check.

After Anand had squirmed into the

rear of the enemy position with 36 Ra8, there were false leads that would not save Topalov: 36...Bb1 37 Kb1 Qc3 38 Ka2 Ra7 39 Rb8 Qc1 40 Qb8 Qc7 41 g5! wins for White. Also 36...Ba5 37 Ra6 Qc3 38 Ra8! Ra7 39 Rb8 Qf3 40 Qh4 Qf6 41 Re8 wins the queen.

After 36...Qf6, Anand shot 37 g5!, the point being that 37...Qg5 lets in a fatal infiltration with 38 Qh8! Rd7 39 Re8mate.

After 41 Qc1, Topalov, seeing 41...Ra8 42 Qc7 Kf8 43 Qd6mate, gave up.



## Khatemi's Reformers Dominate Iran Voting

Howard Schneider  
Washington Post Service

TEHRAN — Reformers allied with the moderate President Mohammed Khatemi have won a convincing victory in Iranian municipal elections, an outcome that analysts say should strengthen the country's budding movement toward democracy and assist the president's struggle against Iranian conservatives.

Papers here reported Monday that with 20 of an anticipated 25 million votes counted, President Khatemi's supporters were winning the majority of seats on city and village councils throughout the country.

In Tehran, an important barometer because of its size and political power, allies of the president were expected to win as many as 12 of the 15 local seats.

Leading the ballot in the city was Abdullah Noori, a liberal cleric who was stripped of a cabinet position last year in a battle with conservatives.

Others headed for election included two presidential advisers, the sister of a newspaper editor who was jailed last year by conservative press critics, and Mohammed Ibrahim Zawday, a leader of the Iranian students who occupied the U.S. Embassy in the 1979 hostage crisis but who is now allied with Iran's reform movement.

Final results from the Friday voting are not due until later in the week, but the trends were clear enough for the Khatemi chief of staff, Mohammed Ali Abtahi, to declare victory in an election the president ordered in hopes of decentralizing some power, and drawing people into the political process.

Though called for under the constitution drafted after Iran's Islamic Revolution in 1979, the municipal and village councils had never been estab-

lished. The Khatemi strategists felt the elections would create a new class of elected officials with a vested interest in local-level politics, and loyal to his move toward a civil society. Despite a largely unsuccessful effort to remove Mr. Noori and some other reformers from the ballot, the election appeared to run smoothly, with few allegations of fraud and only one or two comparatively minor incidents of violence.

The election "is very good news for us," said Mr. Abtahi, estimating that the Khatemi allies may win as much as 70 percent of the vote. About 60 percent of Iran's roughly 40 million eligible voters are thought to have participated.

Though likely to raise some problems for the administration as the new holders of office press their demands for local funding and projects, Mr. Abtahi said that in Iran "this is the sweetest problem that could be created," because it represents a move toward local representation that will be hard to turn back. "This has opened a new era which it is not possible to close," he said. "When people are going to participate in this great number, they are not going to let go."

The 200,000 local officials will be responsible for appointing mayors and overseeing local budgets and spending.

It is unclear how they will exercise their powers, and how influential they might become in national affairs.

Diplomats and analysts here said that local elections may be most deeply felt next spring, when the country is scheduled to elect a new Parliament.

Since taking office, President Khatemi has been embroiled in several battles over his reform program, chiefly with the conservative clerical establishment that still holds ultimate power in Iran, and also with politicians in the conservative-dominated Parliament.

One Western diplomat said he was already seeing signs that some conservative elected officials were "tackling" toward President Khatemi's program of free speech and civil government, hoping to retain their seats during the next round of elections.

Hamid Reza Jalalpour, jailed for his involvement in two publications banned last year but now helping to run a third, said he thought that, judging from the public statements and actions of conservative members of Parliament, they are beginning to realize that as Iranian society opens, they will have to win support for their policies.

There is one way that they can come to the political scene — under the rules of the game," said Mr. Jalalpour, whose sister Fatema was among the top vote-getters in Tehran.

## BRIEFLY

### Menem Rules Out Bid for a 3d Term

BUENOS AIRES — President Carlos Menem of Argentina said Monday that he would not run this year for the presidency, ending more than a year of speculation over whether he would seek a third term. "This is my last term," he said after opening the 1999 session of Congress.

Argentine presidents are prohibited from serving three consecutive terms, but he had been seeking a change in the constitution to allow him to run. "Not everyone is in favor," he said Monday. (Reuters)

### Gunmen Slay Rival Of Haiti's President

PORT-AU-PRINCE, Haiti — Gunmen on Monday killed a Haitian senator and opponent of President Rene Preval as the lawmaker changed a flat tire at home, the police said.

The victim, Jean-Yves Toussaint, 47, was a member of Organization of People in the Struggle, the majority party in the legislature before Mr. Preval declared an early end to the terms of most lawmakers on Jan. 11. (Reuters)

### Toll Near Freetown Put at 1,000 Killed

FREETOWN, Sierra Leone — About 1,000 civilians were killed during the six weeks that rebels occupied the town of Waterloo, a local spokesman said.

The chief, Ansumana Kargbo, said the dead were among 15,000 civilians who had fled into the bush to avoid forces of the Revolutionary United Front. Civilians were hunted and killed, he said. Waterloo, near Freetown, was recaptured last week. (AFP)

### 13 Held in Uganda

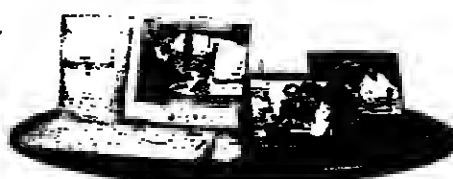
KAMPALA, Uganda — Armed men believed to be Rwandan rebels attacked a park Monday in southwestern Uganda, killing a Ugandan and abducting 13 British and American tourists, diplomats said.

The confirmed the attack in Bwindi Impenetrable Forest National Park. (AFP)

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TUESDAY, MARCH 2, 1999

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## It's Not Your Father's Car Or Is It? Automakers Strive for Subtle Touch

By Keith Bradsher  
New York Times Service

DETROIT — Engineers at Lear Corp., the world's largest independent supplier of automotive interiors, labored for months last year to come up with a vehicle that would meet all the needs of older Americans.

The seats swivel out for easy access, the dashboard controls and displays are unusually large, and the trunk floor partly rolls out at the back for easy loading.

When the engineers were finished, they showed the prototype to the 82-year-old father of the company's chairman — and were crestfallen at his response. Looking at the swiveling seats in particular, he was dismissive.

"He said he didn't need it," said Marilyn Vela, Lear's product-analysis manager.

The aging of the U.S. population poses quandaries for businesses in many industries, but few companies face as many difficult decisions as automakers and their suppliers. Power, sex and youth have long been used to sell cars, so anything that suggests to buyers that they might not be as virile and agile as they once were could easily backfire.

"Baby boomers don't want to admit they're getting older," said John Wolkowicz, an auto industry consultant at Arthur D. Little. "You can't be too catering to age. You have to do it invisibly — you have to give people

vehicles they can get excited about."

Yet driving or even climbing into a car can be difficult and sometimes painful for aging bodies. And with millions of baby boomers every year now entering their 50s, the auto industry is starting to redesign its vehicles to meet the needs of older buyers — without being obvious about it.

For a variety of reasons, the average age of new-car buyers is rising even faster than the average age of the overall population. Many of these older buyers would be better served by vehicles designed differently from vehicles for younger buyers, to reflect the less acute vision and reduced muscular flexibility of bodies that are 50 or older.

Until now, older consumers have shown little interest in buying vehicles tailored to their needs, and automakers have paid fairly little attention to selling such vehicles. Automakers have long been obsessed with luring young buyers in the hopes that brand loyalties, once formed, would persist over the 10 or 15 new cars a prosperous American might buy in a lifetime.

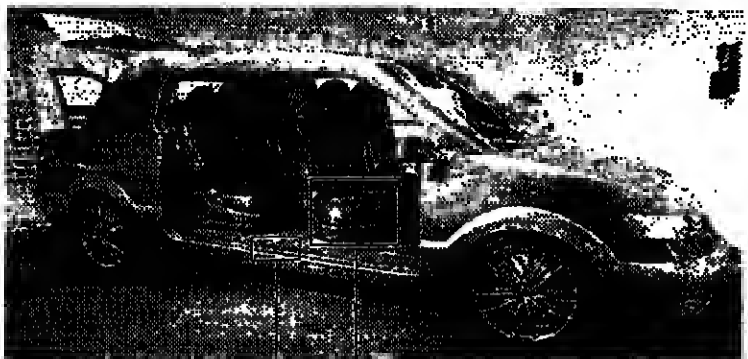
Even car divisions such as Buick, Cadillac, Jaguar, Lincoln and Oldsmobile, which have done very well selling to an older clientele, have shifted their marketing focus to drivers in their 40s and younger.

"Everyone is always going after the young buyer," said Ben Level 3d, Ford

See OLDER, Page 12

## Changing Gears for Older Drivers

As baby boomers age, the auto industry is looking at ways to make vehicles better accommodate older drivers. The Lear Corporation, the largest independent manufacturer of interiors, built the prototype, below, on the under body of a Dodge Caravan. Here are some of the many new features:



**ENTRY**  
Flat door sill reduces tripping and makes entry easier

**SEATS**  
Swivel 45 degrees allowing occupants to enter and leave vehicle more easily

**DASHBOARD AND STEERING WHEEL**  
Controls are large and clearly marked



**SEAT BELTS**  
Attach to both sides of seats, making them easier to use than shoulder belts which require passengers to reach around their bodies

**TRUNK DOOR**  
Handles make it easier to close door

**CARGO**  
Floor slides out for easy loading; storage compartments are located underneath

Source: Lear Corporation

The New York Times

## China's CITIC Lowered To 'Junk' Rating by S&P

By Thomas Crampton  
International Herald Tribune

HONG KONG — China's troubled state-owned sector suffered further blows Monday as Standard & Poor's Corp. relegated the credit of the nation's biggest investment company, China International Trust & Investment Corp., to "junk" status.

Separately, Goldman Sachs & Co. announced that the debts of Guangdong Enterprises Ltd., a floundering Hong Kong company owned by a Chinese province, exceeded its assets by more than 18.8 billion Hong Kong dollars (\$2.43 billion).

"None of this is shocking news, and the downgrades could be expected," said Stephen Cheng, director of credit research at Warburg Dillon Read in Hong Kong. "But this does show the depth of problems facing the state sector in China, and they will likely get worse."

S&P, the New York-based ratings agency, also assigned a "junk" rating — which labels the investments as very risky — to the Bank of Communications and dropped three of the country's biggest banks, Bank of China, China Construction Bank, and Industrial & Commercial Bank of China, to the lowest notch of investment-grade debt.

Credit downgrades denote an increased risk that loans will not be repaid and make borrowing more expensive, particularly when ratings drop below investment grade. Analysts said the downgrades could have a negative impact on bonds issued by China and perhaps even Hong Kong.

The rating revisions reflect Standard & Poor's expectation that the domestic operating environment for Chinese financial institutions will become increasingly difficult as a result of slowed economic growth and corporate restructurings, S&P said in a statement.

Despite repeated interest rate reductions and infrastructure spending by the Chinese government, domestic demand remains weak and deflationary pressures are mounting, it said.

The agency added that the ratings could be revised further downward if China's economy continued to deteriorate.

"The interesting part of the downgrades is how the agency has already begun looking at each of the banks as entities separate from their sovereign

backing," Mr. Cheng said.

"This shows how perceptions have changed since the collapse of CITIC," he said, referring to the closure of Guangdong International Trust & Investment Corp. in October.

CITIC, one of China's largest financial institutions, which was the borrowing arm for the country's richest province, was shut down by the government when it did not have enough money to repay debts to international lenders.

The implied loss of government backing on debts owed by state-owned companies has sent lenders and international investors scurrying to slash their China exposure.

"I basically think it is wrong to tar all these entities with the same brush and totally discount government support they could receive," Mr. Cheng said. "But ever since CITIC closed, investors have been rushing out, making the credit crunch even worse."

Also on Monday, Goldman Sachs sketched out a management restructuring proposal for Guangdong Enterprises Holdings Ltd., a debt-laden Hong Kong company owned by a Chinese province that has floundered in the wake of CITIC's closure, Bloomberg News reported.

The company's restructuring is considered a test case for sorting through the rising pile of bad debt among the \$4 billion owed by Chinese companies to international lenders. It is overhauling its operations with the help of Goldman Sachs.

Restructuring of the company's actual debt, some \$1.8 billion Hong Kong dollars owed to such creditors as HSBC Holdings PLC, Standard Chartered PLC and ABN-AMRO NV, will be finalized in April, the U.S. investment bank said. The Hong Kong company's assets are worth 19.4 billion dollars, Goldman added.

### Tighter Rules for Trust Firms

China put into force a tougher, more comprehensive set of rules to control its financial institutions, especially unlisted trust and investment firms, as Prime Minister Zhu Rongji stepped up his reform drive, Agence France-Presse reported from Shanghai.

Official media reports provided few details on the new rules for bank and nonbank financial institutions, but the Shanghai Securities News said they were "especially strict" on trust and investment firms, the so-called ITICs.

## Revitalized Canary Wharf Will Offer 25% to Public

By Tom Buerkle  
International Herald Tribune

LONDON — Canary Wharf Group PLC, the big East London office complex, said Monday it would float a 25 percent stake on the London Stock Exchange, culminating its phoenix-like rise from bankruptcy in the early 1990s to its current state of full occupancy.

The sale, which was scheduled to be completed by early April, was expected to raise more than £500 million (\$800 million) and value the company at more than £2 billion.

The flotation caps a stunning turn-

around for the project in the last two years, which has seen Canary Wharf lift its occupancy rate above 99 percent and break ground on new buildings for Citibank and HSBC in the past two years. The turnaround has provided a late but welcome justification for the vision of the project's founder, Paul Reichmann, of transforming the largely abandoned Docklands area three miles east of the City of London into a modern base for financial-services firms.

Proceeds of the share offering will be used to repay £350 million of debt, reducing outstanding debt to just under £500 million. They also will be used to

make a final payment of around £80 million to London Underground for connecting Canary Wharf to a new Jubilee Line extension, a link that is vital to the project's long-term attractiveness.

The project "is now well under way and is achieving the goals set in the initial concept and design developed in the late '80s," said Mr. Reichmann, the executive chairman.

But the current strong occupancy levels will not necessarily ensure strong demand for the shares, analysts cautioned. Britain's economy is softening, new office space is coming on line, and rental rates may show little growth in the

next year or two, they said.

"U.K. real estate is not hugely in demand at the moment," said Alec Pelmore, an analyst at Merrill Lynch & Co., which is building a new European headquarters building in the City of London, the traditional home of British banks and brokerages. "It doesn't suggest a huge bull market." Still, the fact that Canary Wharf can go to the stock market is testimony to its dramatic revival, and the health of the London financial services sector that has driven the recovery.

See CANARY, Page 12

## Thinking Ahead / Commentary

### Does Britain Really Want the Euro?

Policies of Some Members Are Undermining Currency's Foundation

By Reginald Dale  
International Herald Tribune

LONDON — Britain's sense of timing in European affairs has often, to put it kindly, been less than perfect. So Tony Blair, the British prime minister, is running true to form in edging the nation closer to joining the European single currency just as the euro zone is looking less and less like a club to which he might want to belong.

When the euro was given the official go-ahead last spring, it was billed as a strong currency, backed by a fiercely independent European Central Bank, that would spur competition among its 11 member nations, encouraging them to adopt the kind of pro-market economic reforms championed by Mr. Blair.

But with the advent of center-left governments in much of continental Europe, particularly in Germany, a different picture has emerged. Aided and abetted by Dominique Strauss-Kahn, his French counterpart, Oskar Lafontaine, the leftist finance minister of Germany, is busily undermining the solid foundations his conservative predecessors painstakingly laid for the euro.

Europe's two top finance ministers have threatened the independence of the ECB by pressing it to reduce interest rates below their already low levels — helping to drive the fledgling euro down sharply against the dollar — and questioned officially agreed limits on budget deficits.

Rather than proceed with Blairite reforms, the French and German governments have abandoned attempts begun by their predecessors to free up labor markets and modernize creaking social security systems.

Even the vaunted convergence of euro-zone economies — a fundamental condition of currency union — shows signs of cracking as French growth begins to outpace Germany's.

Of course, things will probably look very different in five years, when Britain might join the euro under the timetable announced by Mr. Blair last week.

The euro's fall against the dollar is probably no more than a normal "fluctuation," and John Llewellyn of Lehman Brothers in London sees signs that European economic

growth is about to "bounce back."

But a solution to the euro zone's biggest economic and social problem — high unemployment — is still nowhere in sight.

In the first place, Mr. Lafontaine is unlikely to get far with his current growth-boosting efforts. Each time he lectures the ECB on interest rates, the bank becomes more determined to resist his demands, and any attempts to generate growth through a Keynesian fiscal stimulus would clash with the limits on budget deficits.

German policy is a mess. If Mr. Lafontaine's proposals for target zones for major currencies had been adopted, the euro might soon be approaching the point at which interest rates would have to be raised — not lowered, as Mr. Lafontaine wants — to stabilize the exchange rate.

In fact, Mr. Lafontaine seems to want a relatively weak euro, to help German exporters, an outcome he is promoting with his interest-rate pronouncements. Other German officials, however, are warning that a further big drop in the euro could create a "crisis" for the European Union.

Even if Mr. Lafontaine got his way, faster growth would not make unemployment disappear. On the contrary, without the kind of structural reforms favored by Mr. Blair and the ECB — increasing incentives for employers to offer jobs and the unemployed to take them — unemployment would simply come roaring back in the next recession.

Mr. Lafontaine seems to be setting up the ECB as a scapegoat if and when his policies fail. Superficially, his stance looks similar to calls by the U.S. Treasury secretary, Robert Rubin, for faster European growth to absorb more Asian exports.

U.S. officials, however, say Washington is not proposing any specific macroeconomic fix, such as lower interest rates, but microeconomic reforms such as more flexible labor practices and market-opening measures similar to those long urged on Japan. In the absence of such reforms, Mr. Blair's Conservative opponents are quite right to ask why he wants to adopt the rules of a club with twice the jobless rate of Britain.

E-mail address:  
Thinkahead@iht.com

## CURRENCY RATES

Cross Rates					March 1					Other Dollar Values					March 1				
	\$	£	SF	Yen	CS	Dane	Greek	Swede			Peru	Chad	Peru	Chad			Peru	Chad	
London (G)	1.6078	—	2.3405	122.116	2.444	10.3223	472.99	13.2282			Argent. peso	0.0996	Hong. dollar	230.74	N. Zealand \$	1.9128	Sw. krona	39.85	
New York (G)	—	1.6094	1.4625	119.835	1.5205	6.7663	295.28	8.184			Austral. \$	1.6162	Indian rupee	42.485	Norw. krone	7.879	S. Afric. rand	14.655	
Tokyo	119.15	190.62	82.31	—	79.95	17.63	N.Q.	14.58			Brazilian real	2.02	Indo. rupiah	8880.00	Pakist. rupee	51.23	S. Korea won	1222.50	
Toronto	1.5223	2.4494	1.0409	1.271	—	0.223	0.5153	0.1841			Chilean peso	502.00	Israeli sheq.	4.0419	Phil. peso	38.97	Taiwan \$	32.95	
Zurich	1.4576	2.3433	—	1.2202	0.9567	21.41	0.4946	0.1769			Chinese yuan	8.27	Singapore dollar	1.3644	Portug. escudo	200.48	Thai baht	37.33	
One euro	1.0966	0.6829	1.593	131.13	1.6579	7.4347	321.75	9.0005			Czech koruna	54.50	Sloven. tolar	1936.27	Russian ruble	22.86	Turkish lire	35.480	
One SDR	1.3656	0.8524	1.9709	163.048	2.0585	9.206	398.81	11.184			Egypt. pound	3.4188	Malay. ringgit	3.7999	Saudi riyal	3.257	UAE dirham	3.671	
Euro Values																			
Fixed rates of the ECU member currencies, for one unit																			
Austrian schilling	13.7603																		
Belgium/Lux. franc	40.3399																		
French franc	65.4557																		
German mark	1.9360																		
Italian lire	2036.27																		
Netherlands guilder	2.20371																		
Portuguese escudo	200.482																		
Spanish peseta	166.386																		

# HOW TO BUILD

Man was born to build and he aspires to pass on his accomplishments to future generations. That is why, when you build the home of your dreams, you wanted to make sure it would last for a long time. You called upon professionals who shared with you their valuable experience and advised you on the best materials. At Crédit Lyonnais, you'll find such skilled specialists in the field of Private Banking. Get to know them. They know how to listen well, so you'll benefit fully from their in-depth experience to help make your plans for years to come a reality.

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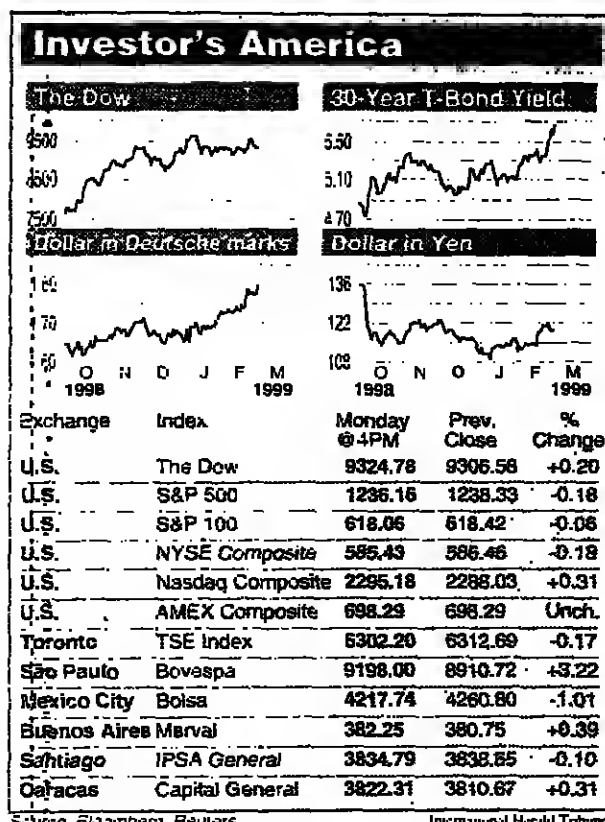
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## THE AMERICAS



## Very briefly:

• Patriot American Hospitality Inc. said its chairman and chief executive, Paul Nussbaum, had resigned as the Dallas-based hotel company agreed to a \$3.45 billion financial rescue led by two investors, Leon Black and Thomas Lee.

• Republic New York Corp. said it was cutting jobs and closing its less profitable trading units to focus on private banking and other niche businesses. It expected to save at least \$60 million a year before taxes through the cuts.

• Fidelity Inc. of Burlington, Ontario, said it would not meet analysts' profit forecasts in its second quarter because of lower revenue at its annuities-services business, North America's largest, and it said the head of the unit had resigned.

• Canada's economy grew at a greater-than-expected 4.6 percent annualized pace in the fourth quarter, up from 1.7 percent in the third, as carmakers resumed exports to the United States and manufacturers built up their depleted inventories.

• Some Charles Schwab Corp. customers said they could not gain access to the San Francisco-based company's Web site to trade stocks for about 30 minutes Monday because of computer system problems linked to new software. *Bloomberg, NYT*

## Weekend Box Office

**LOS ANGELES** — "Eight Mile" dominated the U.S. box office over the weekend, with a gross of \$14.3 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

Rank	Title	Gross
1	Eight Mile	\$14.3 million
2	Yakov	\$6.9 million
3	The Other Sister	\$6.1 million
4	101 Dalmatians	\$5.4 million
5	My Favorite Martian	\$5.2 million
6	October Sky	\$5.1 million
7	Shakespeare in Love	\$4.4 million
8	Gladiator	\$3.8 million
9	She's All That	\$3.6 million
10	200 Cigarettes	\$3.2 million

## U.S. STOCK MARKET DIARY

Monday, March 1				
Most Active				
Index	High	Low	Open	Close
Dow Jones	9324.78	9306.56	9312.50	9324.78
S&P 500	1236.16	1238.33	1235.00	1236.16
Nasdaq	2295.18	2288.03	2290.00	2295.18
AMEX	698.29	698.29	698.29	698.29

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## Robust Economic Data a Mixed Blessing on Wall Street

Compiled by Our Staff From Dispatches

**NEW YORK** — U.S. stocks were mixed Monday as unexpectedly strong economic reports pointed to growing corporate profits but caused concern that the Federal Reserve may raise interest rates to head off inflation.

Citigroup led financial services shares higher after an optimistic report from a Donaldson, Lufkin & Jenrette analyst. Intel, Compaq and other computer-related stocks sank on concern that sales of personal computers are slowing.

The Dow Jones industrial average rose 18.20 points, or 0.2 percent, to 9,324.78.

The Standard & Poor's 500-stock index fell 2.17 points to 1,236.16. Declining issues outnumbered advancing ones on the New York Stock Exchange by an 8-to-7 ratio. The Nasdaq composite index rose 7.15 points to 2,295.18.

Bond prices dropped sharply after the Commerce Department reported that Americans' personal incomes increased a robust 0.6 percent in January. The report suggested that Americans' spending power to keep the economy expanding good. Spending rose moderately, up 0.3 percent.

In addition, the National Association of Purchasing Management reported its index of purchasing activity rose to 52.4 percent in February from 49.5 percent in January. Any reading over 50 means the economy is expanding.

The signal from this survey is clear: The manufacturing slowdown is over," said Ian Shepherdson, an economist at High Frequency Economics in Valhalla, New York. Manufacturing was the one weak spot in the U.S. economy last year, as housing and consumer spending surged to records.

In another report Monday, the Commerce Department said construction spending rose 1.6 percent in January, the largest gain in seven months.

The reports kept alive last week's worry that the economy is growing fast enough to spark inflation, and could prompt the Federal Reserve to tighten short-term interest rates.

"The bond market boys are nervous; they're totally freaked," said Barry Hyman, an analyst at Ehrenkrantz King Nussbaum. "The bond market is acting like there's an interest rate hike coming at the March meeting." He was referring to the meeting March 30 of the Federal Reserve Board's Open Market Committee, which sets the target for the floor on U.S. interest rates.

The price of the benchmark 30-year Treasury bond fell 1 11/32 to 93 29/32, pushing its yield up to 5.67 percent from 5.57 percent Friday.

Stocks pared early losses because of "the failure of the market to break earlier in spite of the bonds falling," said Bill Meehan, chief market analyst at Cantor Fitzgerald. "There are a lot of folks who look at February's declines and see bargain prices." The Nasdaq fell almost 9 percent last month, while the S&P 500 dropped 3 percent.

American Express shares rose 2 3/4 to 111 1/4 after the travel and financial-services company reached an agreement to offer Goldman Sachs mutual funds through its network of financial advisers.

Stock in U.S. West rose 2 9/16 to 55 1/2 after the telecommunications company and Network Computer said that they were planning to introduce U.S. West TV, a new product that will combine telephone, tele-

vision and Internet services. UGI shares fell 4 1/4 to 15 7/16 after the largest U.S. seller of propane gas said it would buy Unisource Worldwide, the largest U.S. distributor of paper and janitorial supplies, for \$1.5 billion in stock and assumed debt. Analysts criticized the deal because the two companies' businesses are so different.

(AP, Bloomberg, Reuters)

**Record Price for NYSE Seat**

A seat on the New York Stock Exchange sold for a record \$2.6 million on Monday, \$600,000 above the previous high that was set on Feb. 16, Bloomberg News reported, citing the NYSE.

Owning a seat on the world's biggest stock exchange gives the holder the right to trade stocks and vote at NYSE meetings. Seat prices have more than tripled in the past decade.

when it meets this week. But the dollar rose to 1.4625 Swiss francs from 1.4483 francs.

Traders bought dollars as a series of U.S. economic reports showed manufacturing, construction, personal income and spending all sur-

passed analysts' expectations and signaled that the U.S. kept up a booming pace as it moved into the first quarter.

"Dollar strength is still the name of the game," said Klaus Kuber of Dresdner Kleinwort Benson in Frankfurt. "The dollar is strongest because the U.S. economy is the strongest." The 11 euro-zone economies, by contrast, face sluggish growth.

The European Central Bank meets Thursday to set interest rates for those 11 countries that adopted the euro this year. The president of the bank, Wim Duisenberg, said in an interview with

the Spanish newspaper El Mundo that the current 3 percent benchmark interest rate was low enough to stimulate investment.

In Japan, interest rates are at record low levels and yet the economy remains mired in its worst recession since World War II.

In Singapore, the vice president of the European Central Bank, Christian Noyer, said the bank did not have a specific trading range for the euro, which has dropped 7 percent against the dollar since its debut in January. Mr. Noyer was in Singapore to deliver a speech on the impact of the euro on Asia and the world.

He said the bank did not have a "precise target for the exchange rate" of the euro and added, "As long as it is in the range of something that is credible in view of the underlying developments of the economies, both in Europe and other parts of the world, including the United States, this is the case."

(Bloomberg, AFP)

Anto designers and consultants say no single car will include all of the possible devices for older consumers but that many will quietly incorporate some features. An old, slightly aged, age in the auto industry says that an old man will buy a young man's car, but a young man will not buy an old man's car.

Indeed, Detroit automakers are leery of going too far in catering to older buyers. They recall the early 1980s, when younger customers defected in droves to foreign automakers and domestic manufacturers such as Chrysler were left with mostly older drivers.

Still, the median age of new-car buyers in the United States has risen to 47 from 40 over the past decade, while the median age of buyers of sport utility vehicles, minivans and pickups has climbed to 43 from 39, according to automakers' research. Over the same period, the median age of all Americans has only crept up about three years, to 34.5.

Americans over the age of 55 make up a fifth of the population but control as much as three-quarters of the nation's financial assets, market researchers estimate. They have benefited from a nearly two-decade-long stock-market boom, so they can afford new cars even though the average price is now around \$20,800.

## GEC Buys Out Reltec of U.S.

Bloomberg News

**LONDON** — General Electric Co. of Britain agreed Monday to acquire Reltec Corp. of the United States for \$2.1 billion in cash and debt as it expands into telecommunications.

GEC will pay Kohlberg Kravis Roberts & Co., which owns 81.5 percent of Reltec, and other investors \$29.50 per share in cash. It also will assume \$361 million of Reltec debt.

The new company will be one of the world's largest makers of broadband communications systems. GEC stock rose 18 pence (29 U.S. cents) to \$19.25, while Reltec rose \$7.25 to \$29.

## Dollar Gains Further Against Euro and Yen

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar rose against the euro and the yen Monday amid mounting evidence that U.S. economic growth has surged into this year, outstripping the economies of Europe and Japan.

"All the U.S. data are strong and underscore the difference between the U.S., Europe and Japan," said among the dollar, euro and yen, said Andy Busch, a senior currency trader at the Bank of Montreal. "The U.S. is a beacon of light" among the world's economies, many of which are stagnant or sinking, he said.

At 4 P.M. in New York, the euro was quoted at \$1.0890, down from \$1.1018 at the close of trading Friday, and the dollar was up to 119.835 yen from 119.550 yen.

The pound rose to \$1.6094 from \$1.6020, on speculation that the Bank of England would leave its benchmark interest rate unchanged

when it meets this week. But the dollar rose to 1.4625 Swiss francs from 1.4483 francs.

Traders bought dollars as a series of U.S. economic reports showed manufacturing, construction, personal income and spending all sur-

passed analysts' expectations and signaled that the U.S. kept up a booming pace as it moved into the first quarter.

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(Bloomberg, AFP)

## OLDER: U.S. Automakers Strive to Give Aging People What They Need, Without Letting Them Know

Continued from Page 11

Motor Co.'s executive director of market research. "You very rarely hear about anyone going after the old buyer — maybe it's cultural."

But there are signs now that attitudes are beginning to change. The main reason for the subtle shift is the enormous and growing market that older, more affluent Americans represent. As automakers try to accommodate their needs, however,

they are trying to be as subtle as possible.

The result: new car features that are easy to overlook but reflect a new awareness of older drivers' and passengers' needs. When the new Chevrolet Impala midsize sedan goes on sale this year, for example, it will have the ignition on the dashboard rather than the side of the steering column — a seemingly unimportant choice, but General Motors' engineers and consultants found that

slightly arthritic hands could turn a key sideways more easily if the wrist was not already bent.

Similarly, the new Ford Focus, a small car that is to replace the Ford Escort this year, has front-door openings that extend farther forward on the car at knee level, to make it easier for older drivers to swing their legs into the car. The Focus and the new Dodge Neon also have seats that are slightly higher off the street, partly because many older

people find it more difficult to climb in or out of a low vehicle.

Even the new Chevrolet Corvette sports car, long a symbol of youthful virility, has been redesigned to make it easier for aging baby boomers to climb in and out. And the trunk has recently been enlarged to carry golf clubs.

Auto suppliers say they are starting to receive many requests from automakers for parts that are designed for older consumers. "The in-

terest is there now — why it wasn't there five years ago, I don't know," said Kenneth Way, the chairman and chief executive of Lear.

Lear was to publicly display its prototype for an older person's vehicle Monday, at the opening of the auto-parts industry's annual convention here, an event that is expected to include many products aimed at an aging America.

Meanwhile, seat-belt manufacturers are working on belts that are mounted on both sides of each seat and clasp in the front, so that older customers will not have to twist their bodies to find and pull seat belts around and across their bodies.

Auto designers and consultants say no single car will include all of the possible devices for older consumers but that many will quietly incorporate some features. An old, slightly aged, age in the auto industry says that an old man will buy a young man's car, but a young man will not buy an old man's car.

Indeed, Detroit automakers are leery of going too far in catering to older buyers. They recall the early 1980s, when younger customers defected in droves to foreign automakers and domestic manufacturers such as Chrysler were left with mostly older drivers.

Still, the median age of new-car buyers in the United States has risen to 47 from 40 over the past decade, while the median age of buyers of sport utility vehicles, minivans and pickups has climbed to 43 from 39, according to automakers' research. Over the same period, the median age of all Americans has only crept up about three years, to 34.5.

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## CANARY: Public Offering Set

Continued from Page 11

Mr. Reichmann and his family's Olympia & York firm spent \$2.6 billion to build the first phase of Canary Wharf, only to see the firm collapse and have creditor banks take over the largely vacant project in the depths of Britain's last recession in 1992.

He returned in 1995 and bought Canary Wharf for \$800 million along with Franklin Resources Inc., CNA Financial Corp., and a billionaire Saudi prince, Walid bin Talal. Those four investors will each hold about 15 percent of the company

after the flotation, said George Iacabescu, the chief executive.

Occupancy of the project's existing 4.7 million square feet (427,000 square meters) of office space has risen to more than 99 percent from 72 percent, and rental rates have doubled to about \$35 (\$56) a square foot, compared with rates of around \$50 for prime space in the City of London.

Canary Wharf also is constructing a 475,000-square-foot building for Credit Suisse First Boston, a 560,000-square-foot U.K. headquarters for Citibank and a 1.2 million square-foot headquarters for HSBC.

Source: Bloomberg

## INTEREST RATES

Monday, March 1

**Government Debt**

Country	3-month	6-month	1-year	2-year	5-year	10-year
Britain	5.00	5.00	5.00	5.00	5.00	5.00
France	2.90	2.90	2.90	2.90	2.90	2.90
Germany	2.90	2.90	2.90	2.90	2.90	2.90
Italy	2.50	2.50	2.50	2.50	2.50	2.50
Japan	0.125	0.125	0.125	0.125	0.125	0.125
Spain	3.00	3.00	3.00	3.00	3.00	3.00
United States	5.50	5.50	5.50	5.50	5.50	5.50
Yield	4.58	4.58	4.58	4.58	4.58	4.58
Price	4.58	4.58	4.58	4.58	4.58	4.58

Source: Bloomberg

**Money Market Rates**

Prime rate	7 3/4	7 3/4	Call money	5 1/2	5 1/4	
3-month T-bill	5 1/4	4 3/4	1-month interbank	5 1/2	5 1/4	
Federal funds	4 3/2	4 3/4	3-month interbank	5 1/2	5 1/4	
90-day Certis Deposit	4 3/2	4 3/4	6-month interbank	5 1/2	5 1/4	
180-day Com. Paper	4 1/2	4 3/4				
Japan						
Discount rate	0.50	0.50	Sources: Bank of Tokyo-Mitsubishi			
Call money	0.90	0.90	Revisers.			
1-month interbank	0.60	0.60	Libor Rates			
3-month interbank	0.65	0.65	1-	3-	6-	12-
6-month interbank	0.67	0.67				



## EUROPE

Olivetti Rises  
On Outlook  
For Its Bid

Bloomberg News

MILAN — Shares of Olivetti SpA and Telecom Italia SpA gained Monday as analysts said Telecom would have a difficult time adopting a defensive strategy against Olivetti's \$58 million takeover bid.

The Italian market regulator Consob ruled Saturday that Olivetti's bid of 10 euros (\$11.02) a share met the legal definition of a takeover offer, limiting steps that the former phone monopoly could take to defend itself.

Telecom Italia had planned to buy the 40 percent of its Telecom Italia Mobile SpA mobile-phone unit that it did not already own to make itself too big to be taken over. Under Italian corporate-governance laws passed last summer, companies being bid for cannot adopt so-called poison pill maneuvers. The company must now win the approval of 30 percent of its investors for this transaction to go through.

"Telecom Italia is going to stay more or less around 10 euros for now because Olivetti is now under pressure to raise its bid," said Maurizio Piglia, a trader at Banca Akros in Milan. Also, Telecom Italia has indicated it was not searching for a friendly company to take it over.

Olivetti stock rose 5 cents to close at 2.85 euros, while Telecom Italia rose 21 cents to 9.80 euros.

Telecom Italia is considering appealing the Consob ruling. But both companies plan in the next days or weeks to try to convince Telecom shareholders of the value of their respective plans for raising Telecom's profit and share price.

## Mirror Group Spurns Trinity Offer

Compiled by Our Staff From Dispatches

LONDON — Mirror Group PLC on Monday rejected a second takeover offer from Britain's leading regional newspaper publisher, Trinity PLC, saying the 2959 million (\$1.54 billion) cash-and-stock offer was too low.

The publisher of The Mirror said it was continuing talks with Regional Independent Media Group, which is owned by Candoover Partners, a venture-capital group. Mirror Group already has rejected a bid from Regional of £913 million in cash, worth 200 pence per share, and people close to Regional said a

second offer was not likely until it gained government antitrust clearance, which could take more than three months.

Trinity said it would offer 210 pence per Mirror share, consisting of 40 pence in cash plus 0.35 of a Trinity share. Mirror stock rose 9 pence to 203 pence on Monday, while Trinity shares climbed 9 pence to 495.

Trinity previously had made an all-stock offer that faltered in January over the role that Mirror's chief executive, David Montgomery, would have. His resignation two weeks later encouraged

Trinity to prepare a second bid.

A Trinity spokesman said the stronger business that would result from a merger would benefit shareholders. Trinity's chief executive, Philip Graf, would continue as head of the expanded group, while Mirror Group's chief executive, John Allwood, would become deputy chief executive.

Trinity said Monday that its 1998 profit rose 43 percent, to £63 million, while earnings per share rose 42 percent, to 45.4 pence. Sales at the group rose 5.4 percent, to £342.4 million.

(Bloomberg, Reuters, AFP)

Gucci Presses Shareholders  
To Keep LVMH Off Board

Bloomberg News

AMSTERDAM — Gucci Group NV urged its shareholders Monday to vote against LVMH Moët Hennessy Louis Vuitton SA's request to name a representative to Gucci's board as it braces for a court showdown with the French company.

Gucci, which lists its shares in Amsterdam, said it would hold a special shareholders meeting March 23 in compliance with Dutch law, which says that anyone with a 10 percent stake in a company is permitted to call such a meeting.

LVMH wants to name Umberto Guindi, an Italian outsider, as a new member of Gucci's board.

LVMH has amassed a 34.4 percent stake in Gucci but has refused to make a full takeover offer.

Last week, LVMH filed suit in

Amsterdam against Gucci to try to prevent Gucci from issuing share options with voting rights that would dilute LVMH's stake to 26 percent.

LVMH's case against Gucci is to be heard Wednesday by the Amsterdam Enterprise Chamber of the Court of Appeals, with a decision due that day or within 15 days afterward.

The legal challenge was the latest step in a battle pitting Bernard Arnault, LVMH's chief executive and controlling shareholder, against Domenico De Sole, Gucci's CEO.

"Even if Gucci wins this time, LVMH won't just give up," said Fernand de Boer, an analyst at SNS Securities in Amsterdam, who said the corporate battle "could take as long as one or two years."

Profit at Renault  
Soared 63% in '98

Compiled by Our Staff From Dispatches

PARIS — Renault SA said Monday that its 1998 profit soared 63 percent, bolstered by cost cuts and the continued success of new models, such as the Clio compact car and the Megane Scenic minivan.

Renault said it earned 1.35 billion euros (\$1.49 billion) last year, up from \$27 million euros in 1997. The company cut costs by 1.37 billion euros during 1998, the first year of a three-year plan to cut costs by 3.1 billion euros. Sales rose 17.3 percent to 37.2 billion euros in what the company's president,

Louis Schweitzer, described as "a year of success." Renault reiterated that it was studying a possible linkup with Nissan Motor Co. (Bloomberg, AFP)

2 Banks Act  
On Revising  
Ruble Debts

Compiled by Our Staff From Dispatches

LONDON — A messy conclusion to Russia's contentious restructuring of ruble debt seemed inevitable Monday after two banks representing foreign holders of the defaulted debt broke ranks and accepted terms imposed by Russia last year.

On Monday, Chase Manhattan became the second foreign bank to agree to restructure some of the frozen ruble bonds, accepting Russian terms. On Friday, Deutsche Bank said it had agreed to restructure some of its own and its clients' ruble debt.

The Russian plan incensed foreign creditors when details first emerged in December because it offered them less compensation than their Russian counterparts. Foreigners held around one-third of the ruble debt, valued at \$40 billion when Russia stopped servicing it and defaulted the ruble last August.

Both Deutsche and Chase are members of a panel of 19 banks that was set up to negotiate with Moscow following the default.

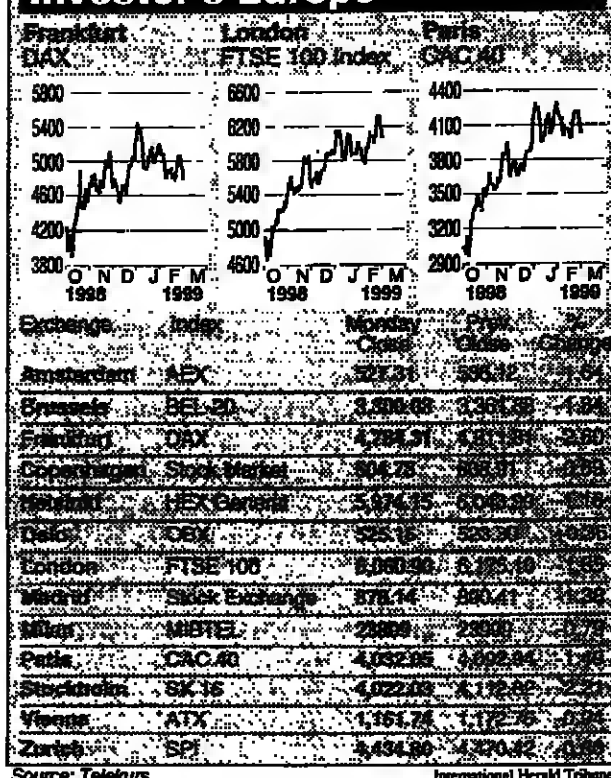
Deutsche, the panel's chairman, also chairs the London Club of commercial creditors with which Russia is currently trying to negotiate a restructuring of Soviet-era loans.

Deutsche was expected to be asked to step down as chair of the panel on Monday at an extraordinary meeting called in London.

Banking sources said the meeting was likely to see other panel members declare their intention to restructure debt, while hardliners dig in for a long and bitter fight.

(Reuters, Bloomberg)

## Investor's Europe



## Very briefly:

• Italy's economy expanded 1.4 percent in 1998, the government said, its slowest growth in two years. Italy's growth was also the slowest among the 11 nations that adopted the euro as their currency this year.

• The European Commission cleared the merger of Astra AB of Sweden and Zeneca Group PLC of Britain but only after the companies agreed to take steps to diversify themselves of properties that would have given them more than 50 percent of the market in the treatment of hypertension and anesthetics.

• AssiDomänen AB, Sweden's largest publicly traded forest owner, fired its chief executive, Lennart Ahlgren, saying that it was looking for a leader who was more focused on clients and the market. His deputy, Roger Asserstaal, will replace him temporarily.

• Banque Nationale de Paris SA's profit rose 22.6 percent to 1.11 billion euros (\$1.22 billion) in 1998. Bloomberg, Reuters

## WORLD STOCK MARKETS

Monday, March 1  
Prices in local currencies  
in euros for ECU countries.  
Telecom

High Low Close Prev.

Amsterdam AEX index: 227.31  
Previous: 226.12

ABN-AMRO 18.48 17.95 18.05 18.12

Alcatel 35.25 35.15 35.25 35.15

Alkermes 35.25 35.15 35.25 35.15

Alkermes 35.25 35.15 35.25 35.15

Alkermes 35.25 35.15 35.25 35.15

Alkermes 35.25 35.15 35.25 35.15

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## Kuala Lumpur

Composite: 221.54  
Previous: 221.54

High Low Close Prev.

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## Paris

Composite: 402.42  
Previous: 402.42

High Low Close Prev.

Ambank 1.00 0.95 0.95 0.95

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The 2,300 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

Country	Year	Value	Unit
Algeria	1970	1.0	1000
Algeria	1971	1.0	1000
Algeria	1972	1.0	1000
Algeria	1973	1.0	1000
Algeria	1974	1.0	1000
Algeria	1975	1.0	1000
Algeria	1976	1.0	1000
Algeria	1977	1.0	1000
Algeria	1978	1.0	1000
Algeria	1979	1.0	1000
Algeria	1980	1.0	1000
Algeria	1981	1.0	1000
Algeria	1982	1.0	1000
Algeria	1983	1.0	1000
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Algeria	1986	1.0	1000
Algeria	1987	1.0	1000
Algeria	1988	1.0	1000
Algeria	1989	1.0	1000
Algeria	1990	1.0	1000
Algeria	1991	1.0	1000
Algeria	1992	1.0	1000
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Algeria	2020	1.0	1000
Algeria	2021	1.0	1000
Algeria	2022	1.0	1000
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Algeria	2025	1.0	1000
Algeria	2026	1.0	1000
Algeria	2027	1.0	1000
Algeria	2028	1.0	1000
Algeria	2029	1.0	1000
Algeria	2030	1.0	1000
Algeria	2031	1.0	1000
Algeria	2032	1.0	1000
Algeria	2033	1.0	1000
Algeria	2034	1.0	1000
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Algeria	2037	1.0	1000
Algeria	2038	1.0	1000
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Algeria	2100	1.0	1000
Algeria	2101	1.0	1000
Algeria	2102	1.0	1000
Algeria	2103	1.0	1000
Algeria	2104	1.0	1000
Algeria	2105	1.0	1000
Algeria	2106	1.0	1000
Algeria	2107	1.0	1000
Algeria	2108	1.0	1000
Algeria	2109	1.0	1000
Algeria	2110	1.0	1000
Algeria	2111	1.0	1000
Algeria	2112	1.0	1000
Algeria	2113	1.0	1000
Algeria	2114	1.0	1000
Algeria	2115	1.0	1000
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Algeria	2118	1.0	1000
Algeria	2119	1.0	1000
Algeria	2120	1.0	1000
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Algeria	2122	1.0	1000
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Algeria	2161	1.0	1000
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Algeria	2165	1.0	1000
Algeria	2166	1.0	1000
Algeria	2167	1.0	1000
Algeria	2168	1.0	1000
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Algeria	2171	1.0	1000
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Algeria	2174	1.0	1000
Algeria	2175	1.0	1000
Algeria	2176	1.0	1000
Algeria	2177	1.0	1000
Algeria	2178	1.0	1000
Algeria	2179	1.0	1000
Algeria	2180	1.0	1000
Algeria	2181	1.0	1000
Algeria	2182	1.0	1000
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Algeria	2199	1.0	1000
Algeria	2200	1.0	1000
Algeria	2201	1.0	1000
Algeria	2202	1.0	1000
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Algeria	2220	1.0	1000
Algeria	2221	1.0	1000
Algeria	2222	1.0	1000
Algeria	2223	1.0	1000
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Algeria	2236	1.0	1000
Algeria	2237	1.0	1000
Algeria	2238	1.0	1000
Algeria	2239	1.0	1000
Algeria	2240	1.0	1000
Algeria	2241	1.0	1000
Algeria	2242	1.0	1000
Algeria	2243	1.0	1000
Algeria	2244	1.0	1000
Algeria	2245	1.0	1000
Algeria	2246	1.0	1000
Algeria	2247	1.0	1000
Algeria	2248	1.0	1000
Algeria	2249	1.0	1000
Algeria	2250	1.0	1000
Algeria	2251	1.0	1000
Algeria	2252	1.0	1000
Algeria	2253	1.0	1000
Algeria	2254	1.0	1000
Algeria	2255	1.0	1000
Algeria	2256	1.0	1000
Algeria	2257	1.0	1000
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Algeria	2259	1.0	1000
Algeria	2260	1.0	1000
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Algeria	2281	1.0	1000
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Algeria	2289	1.0	1000
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Algeria	2294	1.0	1000

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## مكتبات الأمل



**Monday's 4 P.M. Close**

The 150 most traded stocks of the day  
up to the closing on Wall Street.  
*The Associated Press.*

Major League	Team	W	L	Pct	GB	High	Low	Diff	Opp
AFL	Baltimore Colts	11	3	.786	0	24	14	10	14
AFL	Cincinnati Bengals	10	4	.714	1	24	14	10	14
AFL	Cleveland Browns	9	5	.643	2	24	14	10	14
AFL	Pittsburgh Steelers	8	6	.571	3	24	14	10	14
AFL	San Diego Chargers	7	7	.500	4	24	14	10	14
AFL	San Francisco 49ers	6	8	.429	5	24	14	10	14
AFL	Seattle Seahawks	5	9	.357	6	24	14	10	14
AFL	Washington Redskins	4	10	.286	7	24	14	10	14
AFL	Denver Broncos	3	11	.214	8	24	14	10	14
AFL	Los Angeles Rams	2	12	.143	9	24	14	10	14
AFL	Minnesota Vikings	1	13	.071	10	24	14	10	14
AFL	Philadelphia Eagles	0	14	.000	11	24	14	10	14
MLB	Atlanta Braves	10	4	.714	0	24	14	10	14
MLB	Baltimore Orioles	9	5	.643	1	24	14	10	14
MLB	Boston Red Sox	8	6	.571	2	24	14	10	14
MLB	California Angels	7	7	.500	3	24	14	10	14
MLB	Chicago White Sox	6	8	.429	4	24	14	10	14
MLB	Cleveland Indians	5	9	.357	5	24	14	10	14
MLB	Los Angeles Dodgers	4	10	.286	6	24	14	10	14
MLB	Minnesota Twins	3	11	.214	7	24	14	10	14
MLB	New York Yankees	2	12	.143	8	24	14	10	14
MLB	Philadelphia Phillies	1	13	.071	9	24	14	10	14
MLB	Pittsburgh Pirates	0	14	.000	10	24	14	10	14
NFL	Atlanta Falcons	11	3	.786	0	24	14	10	14
NFL	Baltimore Colts	10	4	.714	1	24	14	10	14
NFL	Cincinnati Bengals	9	5	.643	2	24	14	10	14
NFL	Cleveland Browns	8	6	.571	3	24	14	10	14
NFL	Pittsburgh Steelers	7	7	.500	4	24	14	10	14
NFL	San Diego Chargers	6	8	.429	5	24	14	10	14
NFL	San Francisco 49ers	5	9	.357	6	24	14	10	14
NFL	Seattle Seahawks	4	10	.286	7	24	14	10	14
NFL	Washington Redskins	3	11	.214	8	24	14	10	14
NFL	Denver Broncos	2	12	.143	9	24	14	10	14
NFL	Los Angeles Rams	1	13	.071	10	24	14	10	14
NFL	Minnesota Vikings	0	14	.000	11	24	14	10	14
NFL	Philadelphia Eagles	0	14	.000	12	24	14	10	14

**Monday's 4 P.M. Close**

(Continued)

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## INTERNATIONAL INVESTING

## Dragon, the Little Innovator, Battles Giants in Dictation Software

By Diana B. Henriques  
New York Times Service

NEW YORK — Dragon Systems, a developer of speech-recognition software based in Newton, Massachusetts, that is scheduled to sell shares to the public sometime in the next few weeks, is not your typical software developer.

As two founders, who are in their 30s, can remember when computers filled chair rooms, not just briefcases. Moreover, the company has no debt, and it has real revenue; it even has profit. And it has very impressive products.

In the interest of full disclosure: Early in 1997, I was hit with a mild but stubborn case of carpal tunnel syndrome that continues to make long typing sessions painful. As a result, this column (and everything else I have written over the past year, from personal letters to a nearly finished book) was written with the help of the company's Dragon Naturally Speaking software, which converts words spoken conversationally into a computer's microphone into words typed on the computer's screen.

In fact, I now find it so much faster to dictate an article than to type it that I would continue to use Dragon's product even if typing were once again a pain-free option.

But great products do not always add up to great investments. Ask folks who still have a Sony Betamax in the closet.

And one cannot gauge the success of an initial public offering by the testimonials of injured journalists.

What Dragon Systems has besides balance-sheet strength and good products is a young and extremely fluid market niche that it already shares with big competitors such as International Business Machines Corp., Philips Electronics NV and Microsoft Corp. Microsoft alone could change the rules by simply knitting speech technology into future versions of its ubiquitous Windows operating system.

"Microsoft has already said it is planning to include speech capabilities in Windows 2000," said Peter Fleming, an industry consultant in Watertown, Massachusetts, although he said such product bundling could invite another round of antitrust questions.

IBM, too, is ideally situated to bundle its speech programs into its hardware, said Jackie Fenn, a vice president at Gartner Group, a research and consulting firm.

John Earle, president of Chant Inc., a speech-technology software and services company in Marina del Rey, California, added, "The risk, if that happens, is that no one will need a separate application like Dragon's."

Of course, if the founders of Dragon Systems had been reluctant to face long

odds, they might never have set out to turn an ordinary personal computer into the modern equivalent of a 1930s steno pool. Janet and James Baker, a married team of computer scientists, started Dragon Systems in their living room in 1982, later telling Technology Review magazine at the Massachusetts Institute of Technology that they had named it after the pattern on their broussau china.

In Dragon's early years, Defense Department contracts and a short-lived for-

**Its big competitors are still active: Microsoft plans to include speech capabilities in Windows 2000, though that might raise new antitrust questions.**

ay into personal-computer applications kept the company profitable, albeit running on a shoestring. Then in 1990, the Bakers introduced Dragon Dictate, one of the first large-vocabulary general-purpose software products that could convert spoken words into text on a personal computer.

The words had to be separated by maddening little pauses. And with a \$9,000 price tag, the product was far from a mass-market star.

According to Ms. Fenn of Gartner Group, the early voice-recognition pro-

grams from Dragon and a few competitors were too awkward to be attractive to most corporate and institutional customers, other than hospitals and law firms that valued the speed of transcription enough to put up with the unnatural speech required.

Nevertheless, IBM soon introduced its own program, Voice Type, and other companies were not far behind. Suddenly, a new software niche was up for grabs — and it would belong, everyone knew, to the first affordable software that could recognize natural, conversational human speech, without the artificial pauses.

Most analysts said that dream was about a decade away. But the Bakers realized that the accelerating improvements in computer speed and memory would put the prize within reach much sooner.

While marketing new Dragon Dictate applications — which by 1993 were generating annual revenue of \$13.2 million and profit of \$2.1 million — the Bakers threw everything they had into the continuous speech sweepstakes. To help finance their effort, they sold a stake of about 35 percent of the company to the computer disk-drive maker Seagate Technology Inc. for \$26.5 million.

The result, which Dragon introduced in April 1997, was Naturally Speaking,

an easy-to-use program that does recognize continuous human speech with remarkable speed and accuracy. The product won numerous awards from trade publications including PC World, Byte magazine and Popular Home Automation.

But it was only then that the competition began in earnest. Even as Naturally Speaking, with an initial retail price of \$695, was still taking its bows, IBM introduced its own lower-cost rival, called Via Voice. Lernout & Hauspie followed with Voice Xpress. And Philips aggressively continued to develop voice-driven corporate applications, including the Swiss rail system's telephone information line and Lufthansa AG's airline reservations system.

Suddenly, Dragon was forced to cut its price — just when it was struggling to gear up production and customer support services to meet a tidal wave of consumer demand.

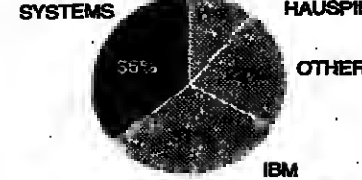
The company's efforts have paid off. Dragon's revenue for the first nine months of 1998, at \$49.6 million, was nearly twice its total of \$26.8 million for all of 1997. Its loss, generated by the high cost of racing for the continuous-speech prize, began to shrink in 1997, to \$4.9 million from \$5.3 million the year before. In the first nine months of 1998, the deficit vanished, and Dragon saw a profit of \$8.6 million, of which \$4 million came from continuing operations.

## A Profitable Niche

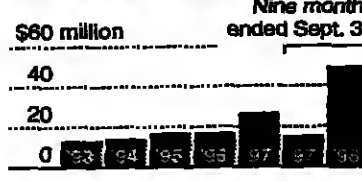
As the leading maker of speech-recognition software, Dragon Systems has benefited from the market's recent growth.

Market Share

Based on units sold



Dragon's Net Revenue



Dragon's Net Income



Sources: PC Data; company reports

NYT

## Hungarian Firm Expects Big Returns From New Bus

Bloomberg News

BUDAPEST — North American Bus Industries Ltd., a Hungarian bus maker that sells to U.S. cities, said it expected profit to triple within three years after it introduces its fiberglass bus model.

The company said it planned to start selling the new buses — which are safer than traditional steel-built models and cost about half as much to operate — to U.S. cities, probably to Los Angeles first, by the end of 1999. It said it was already negotiating with the Los Angeles transit authority on a potential \$75 million order. After that, it plans to target other U.S. customers and transportation authorities in Britain and France.

"If this bus is what we think it is, it's a

major environmental breakthrough," said Peter Rona, the company's chairman and president of First Hungary Fund, its majority shareholder. "We want to validate the 40-foot (12.2 meter) composite bus by the end of the summer and have an order in by the end of the year."

The optimistic forecast sent the company's shares up strongly Monday. They closed at 3,745 forint (\$16.36), up 215, on the Budapest Stock Exchange.

North American has seized 15 percent of the U.S. bus market since its inception in 1992 as it benefited from lower labor costs in Hungary to compete with its more expensive rivals.

Now it is seeking to expand with the fiberglass model developed at its Bud-

apest headquarters, which it expects will make it a takeover target among larger European bus makers.

The company's main competitor in the U.S. market is New Flyer Ltd., a Canadian manufacturer.

Mr. Rona said the company expected to attract offers from foreign bus producers such as DaimlerChrysler AG, maker of Mercedes buses, and MAN AG, both from Germany, and Renault of France. They are expected to seek to buy North American rather than fight to break the patent on the new bus.

"They'll be able to get a great price for it," Ildiko Vilcs, a stock analyst at ING Barings in Budapest, said of the company. "They'll have a very suc-

cessful year in 2000, even with the traditional buses."

By using fiberglass instead of steel in the new model, the company can cut the weight of an average bus by half, to 2.5 tons. The reduced weight cuts emissions as much as 60 percent and fuel costs as much as half, Mr. Rona said.

Once the bus overcomes possible technical problems, it is expected to raise the company's annual profit threefold by the end of 2001. In 1998, company profit rose 40 percent from the previous year, to \$4.6 million. The profit increase is expected because the bus costs no more to make than a traditional steel bus yet can be sold for 15 percent more because of the energy it saves and its longer life span.

## Very briefly:

• Hong Kong may announce the merger of its stock and futures exchanges as soon as Wednesday, when it announces its annual budget, as competition among Asian financial centers intensifies.

• Four former directors of Brierley Investments Ltd. of New Zealand were cleared of allegations they breached insider-trading laws in selling shares last year, after they resigned, for more than twice what the shares are worth now.

• MFS Investment Management, based in Boston, saw two of its mutual-fund managers, Chris Felipe and John Brennan, quit to start their own investment firm, which will manage a hedge fund.

• South African Breweries PLC, the maker of Castle lager and the world's fourth-largest brewer, said it would price shares at 428 pence, valuing the company at about £3.45 billion (\$5.5 billion), as trading in its stock began in London. The company will use the sale of about 70 million new and existing shares to increase its holdings in three breweries in Poland and finance expansion elsewhere in Central Europe.

• KPMG Peat Marwick said Japan had a record 61 foreign mergers and acquisitions last year, a 50 percent increase over previous years; the largest was the purchase by GE Capital Corp. of the United States of a stake in Japan Leasing Corp.

Bloomberg, AFP

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## WORLD ROUNDUP

### Jets Sign Testaverde

**FOOTBALL** Vinny Testaverde, who led the New York Jets to within a victory of the Super Bowl last season, signed a three-year contract worth nearly \$19.5 million Monday to remain with his hometown team.

Testaverde, who signed as a free agent before the season, was 13-2 as a starter after taking over for Glenn Foley. The 35-year-old quarterback led the AFC in passing and directed the Jets to their first division title since the team joined the NFL in 1970. (AP)

### Scottish CEO Suspended

**SOCCER** The Scottish Football Association, the governing body of Scottish soccer, on Monday suspended its chief executive, Jim Farry, after an independent tribunal found the association had acted negligently in Jorge Cadete's transfer from Sporting Lisbon to Celtic in 1996.

Celtic said Farry's actions hindered the transfer, which took two months to complete from the time the clubs had agreed to a fee. Celtic said the delay might have cost it two trophies. Celtic finished four points behind Rangers in the league and lost the Scottish Cup semifinal, in which Cadete could not play, to Rangers, 2-1. The association will give undisclosed compensation to the club. (Reuters)

### Nedved Carries Rangers

**ICE HOCKEY** Petr Nedved made up for the absence of Wayne Gretzky by scoring three goals as the New York Rangers beat the Philadelphia Flyers, 6-5, in the National Hockey League Sunday.

Nedved scored a goal in each period, completing his hat trick with the winning goal with 6:28 left.

In Vancouver, Dwayne Roloson, standing in for Dominik Hasek, made 15 saves as the Buffalo Sabres shut out the Vancouver Canucks, 2-0. (AP, Reuters)

### Hjertstedt Wins Playoff

**GOLF** A 25-foot hirdie punt by Gabriel Hjertstedt of Sweden on the first playoff hole Sunday gave him the victory over Tommy Armour 3d at the Tucson Open for his second PGA title. Hjertstedt (68) and Armour (70) were tied at 12-under 276 after 72 holes. (AP)

### New Zealand Fights Back

**CRICKET** New Zealand finished the third day of the first Test Monday on 205 runs for two wickets, 416 runs behind South Africa in the first test in Auckland. South Africa had declared its innings closed on 621 for five when Daryll Cullinan reached 275, breaking Graeme Pollock's 274 not out as the highest Test score by a South African batsman. (AFP)

### Y.A. Tittle's Dream

**FOOTBALL** The recent success of the once-over-the-hill National Football League quarterbacks Randall Cunningham and Vinny Testaverde might turn out to be coincidental.

"All this is encouraging me to make a comeback," said the Hall of Fame quarterback Y. A. Tittle, who is 74. "It seems all the older quarterbacks around the league are doing well." (LAT)

## A Chip Shot Falls, and Maggert Gets \$1 Million

By Clifton Brown  
New York Times Service

CARLSBAD, California — It ended the way a million-dollar match should end: not with a blunder, but with a hirdie.

After Jeff Maggert sank his 20-foot chip shot to win the Andersen Consulting Match-Play Championship on Sunday, he took a joyful leap in the air, celebrating the most significant victory of his career. Maggert prevailed over Andrew Magee on the second hole of sudden death, concluding a terrific 38-hole championship match at the La Costa Resort and Spa.

### MATCH-PLAY GOLF

Maggert and Magee were not expected to be around Sunday when the world's 64 top-ranked players opened play Wednesday. But the finalists provided an entertaining match that offered great golf and hole-in-one suspense.

After both players missed makeable putts on the back nine that could have ended the match sooner, Maggert captured the \$1 million first-place check and the championship with his chip shot at the par-3, 180-yard 11th hole.

After Magee's 30-foot putt for birdie stopped four feet short of the hole, Maggert made the biggest shot of his life from the left rough adjacent to the green. He delicately sent the ball onto the green with his sand wedge, then exulted as the ball hit the hole, took a small bounce skyward and oozed into the cup.

Maggert was not motivated solely by the money. With 13 second-place finishes in the past eight years, and without a victory on the PGA Tour since 1993, he needed to prove himself as a closer.



Jeff Maggert chipping onto the sixth green during his victory at the Andersen Consulting Match-Play Championship in Carlsbad, California.

And with this victory, he accomplished that goal.

"That chip was something that I really needed all day long," said Maggert, who won for the first time since the 1993 Walt Disney World-Oldsmobile Classic.

"Thank God it came on the last hole. There are going to be a lot of doubters, but I have been around this game for a long time, and I have been waiting five and a half years to get back in the winner's circle."

"The ending was pretty classic," said Magee. "I even enjoyed it a little bit, being the weirdo I am."

There were many shifts in momentum throughout the match, which started with 18 holes in the morning, followed by 18 more and then the two extra holes in the afternoon. Magee was 3-up through eight holes in the morning, and he started the afternoon play still leading, 2-up. But as he did throughout the tournament, Maggert remained steady and confident, despite struggling with putts from 5 to 10 feet, and he slowly whittled away at his early deficit.

"I knew inside that I had what it took to win tournaments," Maggert said. "Guys that can play well when they are nervous are guys that win tournaments."

## Blazers Muzzle the Wolves

Portland's Bench Is the Key to 100-93 Victory

The Associated Press

The Portland Trail Blazers became the first team to beat the Timberwolves in Minneapolis this season, confirming that they, and not the dysfunctional Los Angeles Lakers, are the team to watch in the Pacific Division.

Portland won, 100-93, on Sunday, and three and a half weeks into this shortened

### NBA ROUNDUP

season, the Trail Blazers are atop the Pacific Division with a 9-3 record.

"Our depth is a big advantage," said Rasheed Wallace, who scored a season-high 22 points. "That's going to lead us far into the playoffs."

Wallace led six players in double figures and 10 Blazers saw at least 10 minutes of action.

Stephon Marbury had 25 points and a season-high 16 assists for the Wolves.

Lakers 106, Rockets 90 Michael Jordan watched from a courtside seat as Dennis Rodman's energy and Rick Fox's big fourth quarter helped Los Angeles beat Seattle SuperSonics and the visiting Houston Rockets.

Rodman, playing 26 minutes in his second game for the Lakers, had two points, 10 rebounds and two assists in

addition to playing effective defense.

Fox scored 15 of his 21 points in the first 6:55 of the fourth quarter to spark a 19-8 run.

Suns 102, Warriors 88 In Phoenix, the Suns held Golden State to an NBA record-tying six points in the fourth quarter.

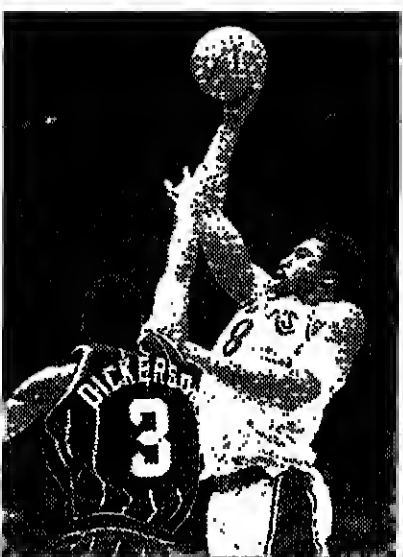
A field goal by Tony Delk with 3.5 seconds to play allowed Golden State to match the NBA record set by Detroit at Orlando in December 1993.

Nuggets 116, Grizzlies 112 In Denver, Antonio McDyess scored 46 points to the Grant Hill and Alton Iverson for the most points in an NBA game this season.

Jazz 101, Spurs 87 Karl Malone scored 30 points and Jeff Hornacek and John Stockton added 18 and 14 points, respectively, as Utah won in San Antonio.

76ers 87, Bucks 76 Alton Iverson scored 25 points, going only 8-for-24 from the field but 9-of-11 from the free-throw line, as Philadelphia won in Milwaukee, stretching its winning streak to four.

Bulls 90, Raptors 88 Randy Brown's 19-footer at the buzzer hit the front of the rim, bounced straight up in the air and fell through the net to give Chicago a victory in Toronto.



Kobe Bryant putting up a shot over the Rockets' Michael Dickerson.

In games reported in late editions, Monday:

Heat 84, Magic 78 In Miami, the Heat, playing without three starters, didn't quit after falling behind, 37-17. "I saw that the guys had a deep desire to win," said Pat Riley, the Miami coach.

Pistons 89, Knicks 68 Joe Dumars had 21 points to lead Detroit to victory over visiting New York. The Pistons are 4-0 since Dumars returned from a hamstring injury.

## U.S. Panel Condemns IOC's Culture of Gifts

### Mitchell Calls for 'Reform at Every Level'

Compiled by Our Staff From Dispatches

**NEW YORK** — A U.S. Olympic Committee commission established to investigate corruption in the awarding of the 2002 Winter Games to Salt Lake City condemned a "culture of gift-giving" in the Olympic movement, saying Monday that it needed comprehensive reform.

"In order to restore the integrity of the Games, especially with the public, we believe there must be reform at every level," said George Mitchell, the former U.S. Senate majority leader, after he had submitted the report to the U.S. Olympic Committee.

"What the Salt Lake City people did was wrong, but they did not invent the culture," Mitchell said. "It was in existence and attributable in part to the close processes and unaccountability at the international level."

The report traced the problems in Salt Lake City and other host cities to the fact that "ethical governance has not kept pace with the rapid expansion of the Olympic movement."

"The Olympic Games have become big business for sponsors, host cities, athletes and the organizations that make up the Olympic movement," the report said. The Salt Lake scandal, it continued, had "exposed the weaknesses in the movement's governing structure and operations controls."

The Mitchell commission recommended that the IOC drop its tradition of appointing members for life and instead have them elected by national committees, sports federations and other constituent bodies.

It called for the IOC to undergo regular audits and make public its financial records. It also said bid cities and national Olympic committees should refrain from giving gifts to IOC members and that travel expenses should be handled by a central fund administered by the IOC.

Mitchell said it would be a "mis-

placement of priorities" to call for the resignation of the IOC's president, Juan Antonio Samaranch, as a way to end the crisis.

"We believe the solution should be a change in the system, not in any individual," Mitchell said. "A closed, self-perpetuating organization fostered a culture of gift-giving. If President Samaranch and the entire IOC leadership resigned tomorrow and no other changes were made, it would not solve the problem. What is really needed is comprehensive reform."

The USOC itself escaped with little more than a slap on the wrist from the commission. The report's harshest language dealt with management of the USOC's training program for athletes, which in at least one case was manipulated to help Salt Lake City's cause.

A USOC statement Monday thanked the Mitchell commission for a "thorough report and thoughtful recommendations." The USOC's president, Bill Hybl, is scheduled to make a more complete response, including actions on bid rules, at a news conference in Washington on Wednesday. (AP, Reuters)

### Recommendations Are In

A special IOC panel has issued recommendations on whether to impose sanctions against the 13 members still under investigation in the Salt Lake City scandal, a commission member said Monday. The Associated Press reported from London.

Jacques Rogge, a member of the six-man inquiry panel that met in Switzerland over the weekend, said the group had sent its findings to President Samaranch and to the executive board. Rogge said he did not know when the board would convene to act on the report.

The IOC has called a special assembly on March 17 and 18 specifically to deal with the scandal.

## UConn Is Big East Champ

### Huskies Down Syracuse for 5th Title in 6 Years

The Associated Press

Richard Hamilton helped Connecticut earn another Big East title, and the Huskies also handed Syracuse a little payback in the process.

Hamilton scored 26 points as No. 4 UConn claimed its fifth regular-season conference title in the last six years with a 70-58 victory over the No. 24 Or-

### COLLEGE BASKETBALL

angeans (19-10, 10-8 Big East). Earlier this season, Syracuse beat the Huskies, 59-42, for UConn's first loss. The Huskies (25-2, 16-2) played that game without Hamilton and Jake Voskuhl, who were sidelined with injuries. "We definitely had something to prove," said Khalid El-Amin, who added 21 for the visiting Huskies. "We wanted to come out and show we're really the best team in the Big East."

No. 3 Michigan State 60, No. 23 Purdue 46 Michigan State (26-4, 15-1 Big Ten) won its school-record 15th straight conference victory, downing the Purdue Boilermakers, (19-11, 7-9).

Tennessee 68, No. 13 Kentucky 61 Tony Harris scored 18 points as the Volunteers (20-7, 12-4 Southeastern Conference) upset Kentucky (22-8, 11-

5) to sweep the visiting Wildcats for the first time in two decades and capture the SEC East Division crown.

No. 17 College of Charleston 77, Appalachian State 67 The Cougars (28-2) rallied to beat Appalachian State in the Southern Conference championship game in Greensboro, North Carolina, to earn an automatic berth in the NCAA tournament.

Massachusetts 57, No. 24 Temple 49 Monty Mack hit five 3-pointers as the Minutemen (13-15, 9-7 Atlantic-10) held the visiting Owls (19-9, 13-3) to just two baskets for almost the entire second half.

Murray State 62, Southeast Missouri 61 Aubrey Reese hit a running one-hander at the buzzer to give Murray State (27-5) a victory over Southeast Missouri in the Ohio Valley Conference championship game in Nashville and an NCAA Tournament bid.

George Mason University (19-10) also received an NCAA tournament berth with a 63-58 victory over Old Dominion. They joined Samford, Winthrop and Stanford, who received automatic bids on Saturday.

Samford (24-5) beat Central Florida, 89-61, for the TransAmerica Athletic Conference title.

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## ART BUCHWALD

## Mutual Donations

NEW YORK — The healing between Republicans and Democrats must begin. The two political parties have been wounded by the impeachment trial and now must find ways of making up.

Here are a few suggestions. The most important thing that both the GOP and the Democrats have in common is money. It is the mother's milk of campaign politics, and it is no secret that the party with the most money wins.

So the first step in making peace is for the Democrats to donate large sums of money to the Republicans and the Republicans to donate hundreds of dollars to the Democrats.

The more money each party donates, the more chance that one side will be willing to make up with the other.

Let's say the Democrats gave a political dinner in honor of Henry Hyde. They would make him Man of the Year and Congressman of the Century. The tables would be sold to well-heeled Demo-

crats, including contributors from China, Taiwan and Burma. All the Democratic funds would go to support the efforts of Elizabeth Dole, George W. Bush and Steve Forbes to become the next president.

The Republicans, on the other hand, would give a dinner for Hillary Clinton, with Ken Starr as emcee. It would be a roast, with the 13 House Managers dressed in drag and singing songs about Monica Lewinsky and Lioda Tripp.

Another idea to bring peace back to the parties is for the president to give an annual Spring Bipartisan Cotillion at the White House. To show he has no hard feelings, the president would play his saxophone with Jerry Falwell's band.

To get the Congress together, each Republican would be asked to dance with a Democrat, and each Democrat would choose a Republican. For starters, Strom Thurmond could tango with Teddy Kennedy.

As the unimpeachable president once said, "What good is politics in Washington if you can't love each other when the sun goes down?"



Buchwald

## 'This Is Sinatra!' Coast to Coast

New York Times Service

NEW YORK — A Sinatra premiere is beckoning. The rarity is the first American showing of "This Is Sinatra!," a 1962 British television special that captured him swinging through 29 songs in 90 minutes during a performance at the Royal Festival Hall in London.

Screened by the Museum of Television and Radio last week at the Directors Guild of America in Los Angeles and at the museum's branch in New York, "This Is Sinatra!" running through May 30 on both coasts, opens the 16th annual William S. Paley Television Festival at the museum's Los Angeles site.

Through March 16, the festival salutes significant shows in television history, such as "The Twilight Zone" and "Thirtysomething," with screenings and discussions.

## Doing Vocal Justice to Sondheim and Berlin

By Alex Witchel  
New York Times Service

NEW YORK — The woman at the first preview was surprised.

"It's good," she told a friend. "I thought I would hate it. I had dinner with some people, and they said, 'What are you seeing?' I told them 'Annie Oakley' and they said, 'Why?'"

The answer to that question is Bernadette Peters, who stars in the revival of Irving Berlin's "Annie Get Your Gun," opening Thursday at the Marquis Theater on Broadway, after a tryout in Washington.

Not that it should bother Barry and Fran Weissler, the show's producers, that the woman called the show by the name of its lead character; they are, after all, the team that took the best choreography Tony nomination for their 1994 revival of "Grease!" and turned it into "Best Dancing" in the show's ads, figuring that tourists would not know what "choreography" meant.

The preview-goers actually put her finger on the conundrum that is the current production of "Annie Get Your Gun." It is two shows, really. The first is the Annie Oakley show, in which Bernadette Peters gets to sing classic Irving Berlin while giving the character an entirely new spin: She has reconceived the role in the vein of Eliza Doolittle, a backwoods hick, who, with a great deal of sweetness and spunk, slowly but surely learns everything she needs to know to get her man, Frank Butler, played by Tom Wopat.

The second show is the rest of "Annie Get Your Gun," directed by Graciela Daniele and choreographed by her and Jeff Calhoun. The show's book, written originally by Herbert and Dorothy Fields, with its plethora of Indian jokes, is offensive by today's standards. So the Weisslers hired the writer Peter Stone to revise and update it, though he has managed to leave such no-nonsense gems intact as Annie shifting her cleavage around and saying, "I'll show him a thing or two."



Bernadette Peters as Annie Oakley with Tom Wopat in "Annie Get Your Gun."

In this era of big-budget Broadway spectacles, which celebrate scenery and animals, Peters is something of an anachronism. A genuine musical-theater star, she can either sit around and wait for a role in a new Stephen Sondheim musical or else be the diamond in a rough revival setting just for the chance to do the job she was trained for.

Working since the age of 3 1/2, she developed her quirky, personal style during the '60s, when Broadway started its anointed swan dive as the world turned to rock 'n' roll. When the theater has hit its fallow periods, she has never had a problem keeping busy: Besides countless television appearances, she has appeared steadily in films, and won a Golden Globe Award for "Pennies From Heaven."

After making her Carnegie Hall debut in 1996, she has traveled internationally with her concert program, which will be broadcast on PBS in August. But when the theater does come through, she comes back.

"I know how much the industry has changed," she said, one evening before "Annie Get Your Gun" previews were to begin.

"Broadway is changing and the roles aren't there because of that," she went on. "The shows are different, grander, and with an operatic sing-talking. Singing the script just isn't my favorite. With 'Annie,' I saw a wonderful character there. She says what's on her mind and doesn't hold anything back, which is kind of refreshing. I also thought, 'Here comes a show in these strange

times we live in that are so negative that it might be nice to do something looking up, positive. Maybe it's time to give people a lift."

At 51, Peters is a remarkable-looking woman. Her trademark pale skin is without lines, her waist is still tiny and she seems to retain the untouched quality of a child.

But when asked, "How would you describe yourself?" she answered, "I can't describe myself. Do I have to?"

Richard Jay Alexander, the director of her concerts, said, "Everyone loves her but they don't know her." Because in her own charming, disarming way, she sees to that.

"There's tremendous depth to Bernadette but it takes time," Alexander said. "She started so

young, and she had the same manager for 27 years, which helped her through the treachery of Hollywood and gave her a classy career, but she was taught to be obedient. She doesn't challenge people until they have a certain kind of relationship. She's enormously deep-feeling and emotional."

What she is concentrating on now is keeping well, while the flo sweeps New York, firm in her intent to play all eight shows a week every week for the year's duration of her contract.

She says she welcomes the hard work of carrying a Broadway show. That does mean, however, that she will not be able to tour her concert, the second act of which is entirely Sondheim.

Being able to sing Irving Berlin is certainly a pleasure, but the combination of Peters and Sondheim is guaranteed magic. What makes their connection so powerful?

"I think his soul, his songs have a lot to say about somebody," she said. "When he writes a song, he totally takes on a topic and thoroughly gets into it and it just speaks to me."

When she gathers with the cast at one of the final "Annie Get Your Gun" rehearsals, Peters seems the calmest person in the room.

If someone walked in and did not know who the star was, the choice would be obvious: She is the smallest, the most quiet and focused. While the dancers laugh and talk, she marshals her energy.

"I need Bernadette and the four boys," Calhoun announces, and they walk to the center of the room. They review some steps, including the finale whee two of the men lift her and set her on their shoulders.

They do the number again. And again. Peters and the chorus boys smile dazzlingly at one another, as if they have got a secret, and maybe they do. Their mutual delight in dancing can convince anyone that every night is Saturday night and life is nothing more than a jubilant variety show.

## PEOPLE



CHEEK TO CHEEK — The singer Robbie Williams with a fiberglass caricature of himself, given to him after a concert at Wembley in London.

THE comedian Bob Hope, who has received numerous accolades for entertaining U.S. troops, is getting another honor: a G.I. doll created in his likeness. "Hollywood Hero" has been designed to pay homage to the 95-year-old comedian, who spent a half-century entertaining U.S. troops around the world. "We've heard how much he likes it," Jon Fitch, associate marketing manager of Hasbro, told TV Guide. "Hope Enterprises was involved in all of it, right down to the scoop on the nose."

After spending his career performing roles written for others, Luciano Pavarotti would like someone to compose an opera with him in mind. "It has been my dream of 20 years or more that a pop composer would put himself together with a classical composer and make an opera," the tenor said backstage before an appearance with the Columbus Symphony Orchestra in Ohio. "No one is writing music for someone like me today," Pavarotti said. When asked if he got tired of performing the same

repertoire, Pavarotti said: "It is always a live performance. It is always risky. But on top of singing, which is a joy, they pay you for it."

A debilitating stroke has actually had some benefits for Kirk Douglas. The actor said he had become closer to his son, Michael, since the stroke three

years ago. "He maintains that I have become much funnier since my stroke," Douglas said in TV Guide. "So, you see, a sense of humor can save you." On Sunday, Douglas, who is 82, will receive the Life Achievement Award from the Screen Actors Guild.

A free concert in Clarksville, Tennessee, given by the country rock group Sawyer Brown raised more than \$13,000 to benefit victims of tornadoes that ravaged the area in January. About 3,000 people attended the performance Friday at Austin Peay State University. University officials manned collection bins, where concertgoers contributed everything from loose change to \$100 bills. "God has blessed this town," said Mark Miller, the lead singer. "Sometimes he lets us know you can knock down buildings, but you can't kill the human spirit."

## Michel Bras Gets His 3d Michelin Star

Reuters

PARIS — The 1999 Michelin red guide has awarded three stars, its highest rating, to Michel Bras for his eponymous restaurant in Laguiole, in the Auvergne region of France.

Marc Menau's L'Esperance in Saint-Pere, near Vezelay in northern Burgundy, which has had three stars since 1984, was downgraded to two stars. The latest Michelin guide, released on Monday, lists 21 three-star restaurants, six of which are in Paris. Alain Ducasse has three stars for his restaurants in the 16th arrondissement in Paris as well as for the Louis XV hotel in Monte Carlo.

In total, 74 restaurants were given two stars and 405 a single star in this year's guide. Twenty-six restaurants lost their single-star rating, and 34 obtained their first.

The winner of the Sanremo song festival in Italy caused a stir by showing her panties. Anna Oxa, who won the festival in 1989 and who finished second in 1997, came out on top for her song "Senza pietà." Her costume, midriff-baring top and below-the-hip hanging pants, raised eyebrows when her underwear was shown on prime-time television. The annual festival seeks to promote Italian songs.



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